

DOCUMENT RESUME

ED 358 362

CE 063 954

AUTHOR Alaluf, Mateo
TITLE The Unemployment Trap. Long-Term Unemployment and Low Educational Attainment in Six Countries: Belgium, France, Portugal, Spain, Sweden, United Kingdom.
INSTITUTION Council for Cultural Cooperation, Strasbourg (France).
REPORT NO ISBN-92-871-2054-4
PUB DATE 92
NOTE 77p.
AVAILABLE FROM Manhattan Publishing Co., 1 Croton Point Avenue, P.O. Box 650, Croton, NY 10520.
PUB TYPE Reports - Evaluative/Feasibility (142)
EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Adult Basic Education; Developed Nations; *Dislocated Workers; *Economic Progress; *Educational Attainment; Education Work Relationship; Employment; Federal Government; Foreign Countries; Government Role; *Illiteracy; Literacy Education; *Public Policy; Underemployment; *Unemployment
IDENTIFIERS Belgium; *Europe; France; Portugal; Spain; Sweden; United Kingdom

ABSTRACT

This report defines the social exclusion process by examining long-term unemployment and educational deficiencies in Europe and assessing the scope and effectiveness of the steps taken by the governments concerned to deal with the problem. Chapter I looks at education and prolonged unemployment in six countries that reflect the range of European experience--Belgium, France, Portugal, Spain, Sweden, and the United Kingdom. Chapter II considers the countries individually from the point of view both of the extent of long-term unemployment and of the steps taken to limit its effects. Chapter III outlines the main features of long-term unemployment, while chapter IV reviews the types of measures introduced in the different countries and assesses the impact of national policies. Chapter V looks at the problems associated with lack of education and training and with illiteracy, chapter VI sets the problems in the context of the labor market, and chapter VII in that of economic policy options. The final chapter discusses the relationship between educational deficiencies and long-term unemployment. The aim is to identify both the ways in which social exclusion operates and the role of public policy in this area. (Contains 50 references.)

(YLB)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *



ED358362

The unemployment trap

Long-term unemployment and low educational
attainment in six countries

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- ☒ This document has been reproduced as
received from the person or organization
originating it.
- ☐ Minor changes have been made to improve
reproduction quality.

• Points of view or opinions stated in this docu-
ment do not necessarily represent official
OERI position or policy.

PERMISSION TO REPRODUCE THIS MATERIAL
IN OTHER THAN PAPER COPY HAS BEEN
GRANTED BY

J. A. Simaneta

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

Adult education

BEST COPY AVAILABLE

CE 063 954

The **Council of Europe** was founded in 1949 to achieve greater unity between European parliamentary democracies. It is the oldest of the European political institutions and has 26 member states,* including the 12 members of the European Community. It is the widest intergovernmental and interparliamentary grouping in Europe, and has its headquarters in the French city of Strasbourg.

Only questions related to national defence are excluded from the Council of Europe's work, and the Organisation has activities in the following areas: democracy, human rights and fundamental freedoms; media and communication; social and economic affairs; education, culture, heritage and sport; youth; health; environment and regional planning; local democracy; and legal co-operation.

The **European Cultural Convention** was opened for signature in 1954. This international treaty is open to European countries that are not members of the Council of Europe, and it enables them to take part in the Organisation's programmes on education, culture, sport and youth. So far, 31 states have acceded to the European Cultural Convention: the Council of Europe's full member states plus Bulgaria, the Holy See, Romania, Russia and Yugoslavia.

The **Council for Cultural Co-operation (the CDCC)** is responsible for the Council of Europe's work on **education and culture**. Four specialised committees — the Education Committee, the Standing Conference on University Problems, the Culture Committee and the Cultural Heritage Committee — help the CDCC to carry out its tasks under the European Cultural Convention. There is also a close working relationship between the CDCC and the regular conferences of specialised European ministers responsible for education, culture and cultural heritage.

The CDCC's programmes are an integral part of the Council of Europe's work, and, like the programmes in other sectors, they contribute to the Organisation's three over-arching policy objectives for the 1990s:

- the protection, reinforcement and promotion of human rights and fundamental freedoms and pluralist democracy;
- the promotion of an awareness of European identity;
- the search for common responses to the great challenges facing European society.

The CDCC's education programme covers school, higher and adult education, as well as educational research. At present, its main priorities are projects on: the European dimension of secondary education; university co-operation; adult education and social change; modern languages; and the pooling of the results of educational research.

The opinions expressed in this work are those of the author(s) and do not necessarily reflect the official policy of the Council for Cultural Co-operation of the Council of Europe.

All correspondence concerning this publication or the reproduction or translation of all or part of the document should be addressed to the Director of Education, Culture and Sport of the Council of Europe (BP 431 R6, F-67006 Strasbourg Cedex).

* Austria, Belgium, Cyprus, Czechoslovakia, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, Turkey, United Kingdom.

Council for Cultural Co-operation
Adult education and social change

The unemployment trap

**Long-term unemployment and low educational
attainment in six countries**

Belgium, France, Portugal, Spain, Sweden,
United Kingdom

Mateo Alaluf

Institute of Sociology, Brussels

Council of Europe Press, 1992

French edition:

Les chômeurs piégés par le chômage

ISBN 92-871-2053-6

Strasbourg, Council of Europe, Publishing and Documentation Service
ISBN 92-871-2054-4

© Council of Europe, 1992

Printed in Belgium

CONTENTS

	<u>Page</u>
FOREWORD	5
INTRODUCTION: EDUCATION AND UNEMPLOYMENT	6
CHAPTER I: AN OVERVIEW: EDUCATION AND PROLONGED EMPLOYMENT	10
A. The difficulty of defining categories	10
B. Unemployment and long-term unemployment	13
C. Low levels of educational attainment	16
D. Mobility and immobility in unemployment	18
CHAPTER II: THE SITUATION IN INDIVIDUAL COUNTRIES	20
A. Unemployment: the "Belgian disease"	20
B. Spain: employment instability and long-term unemployment	23
C. France: exclusion and reintegration of the long-term unemployed	25
D. Portugal: action to combat illiteracy	28
E. The United Kingdom: a comprehensive policy	30
F. the "Swedish Model"	32
G. Contrasting situations	34
CHAPTER III: THE MAIN FEATURES OF LONG-TERM UNEMPLOYMENT	37
A. Regional variations in outline	37
B. Unemployment and households	38
C. Discouragement from seeking work	39
D. The experience of unemployment	40

CONTENTS (ct'd)

	<u>Page</u>
CHAPTER IV: MEASURES TO COMBAT LONG-TERM UNEMPLOYMENT	41
A. Types of measures	41
B. How effective are such measures?	42
C. A working society?	45
CHAPTER V: LOW LEVELS OF TRAINING, ILLITERACY AND BASIC EDUCATION	47
A. A social problem	47
B. Training, retraining and the market	48
C. Illiteracy	49
D. Combating illiteracy	51
E. Literacy and employment	53
F. Combating exclusion from two directions	55
CHAPTER VI: TYPES OF ECONOMIC ACTIVITY	56
A. Employment and unemployment	56
B. The social management of unemployment	58
C. The dual nature of employment and its limits	59
D. The changing faces of employment and unemployment	61
CHAPTER VII: SOCIETY AT THE CROSSROADS: THE CHOICES	63
A. National peculiarities and the internationalisation of economic activities	63
B. The range of existing policies	64
C. Composite solutions	66
CONCLUSION: WHAT SHOULD BE DONE WITH THOSE WHO ARE "SURPLUS TO REQUIREMENTS"	67
BIBLIOGRAPHY:	69

FOREWORD

Rejection of school and unemployment are at the root of social exclusion.

Since the middle of the 1970s, the economic crisis has resulted in a massive growth in unemployment, although the general level of education has risen considerably. At the same time, and perhaps paradoxically, the industrialised countries have rediscovered the existence of illiteracy, which they thought had become a purely third world phenomenon.

In Europe, unemployment's principal victims have been those who have missed out on educational progress and, thus, on employment. In a now much more selective labour market, they have been classified by society as "poorly educated" and placed below employers' recruitment thresholds.

These thresholds are naturally not the same everywhere. What would be poor qualifications in one country would be quite acceptable somewhere else. However, although the definition of illiteracy is not the same everywhere, the consequences are: social exclusion resulting from under-employment in a severe economic crisis.

Although there has been a recovery in employment since the mid-80s, the exclusion process has now taken the form of long-term unemployment. Economic recovery has certainly helped to reduce unemployment but not every social group has been in a position to benefit from it. Unemployment is compounded by a lack of training, and the duration of unemployment becomes the main obstacle to those wishing to escape from it. The unemployed thus become caught in the unemployment trap.

It is therefore through its relationship with unemployment, and in particular, in a period of economic recovery, with long-term unemployment, that illiteracy produces different forms of social exclusion in European societies.

As a contribution to International Literacy Year, this report sets out to examine the processes involved and the steps which a number of countries have taken to counter them. It therefore looks at policies and sets illiteracy, however defined, in context.

INTRODUCTION: EDUCATION AND UNEMPLOYMENT

In all the countries of Western Europe, the recovery in employment is now well established. After growing continuously since 1973, unemployment has, for the last four years, tended to stabilise or even fall. Despite this, however, the social exclusion processes fashioned by the economic crisis are still with us and continue to have the same "marginalising" effects.

During the recession, whole groups of the population suffered exclusion: exclusion from jobs, since these were severely "rationed" (1), and exclusion from school, since for whole categories of young people school seemed to lead only to unemployment. Worsening employment conditions and declining educational attainment thus became mutually reinforcing.

EDUCATIONAL QUALIFICATIONS AND JOBS

Overall, however, educational provision has expanded considerably in Europe. The long-term trend towards earlier entry to school and higher leaving ages has increased the average length of schooling. This trend has scarcely wavered in the last 20 years. During the economic crisis, there was a considerable increase in the proportion of the population in education, as the absence of jobs encouraged young people to stay at school and postpone the difficult search for a job, unemployment or migration.

The rise in overall educational standards in a period of high unemployment has changed the relationship between educational qualifications, which have proliferated, and jobs, which have been rationed. While qualifications lose value as a result, it is, paradoxically, the unqualified attempting to enter the labour market who suffer.

(1) VINCENS, J., "Politiques d'emploi et rationnement du travail" (employment policies and job rationing), in MARUANI, M. and REYNAUD, E. (eds), . France-Allemagne: débats sur l'emploi, Syros, Paris, 1987, pp. 305-18.

In this context, the educational system has undergone a profound transformation characterised by two broad trends. The first, apparent since the 19th century, has been for structures and procedures to become more uniform and for the system to integrate the different branches. Thus, technical and vocational training has become increasingly a part of general education. This integration, which has been instrumental in modernising and democratising schools and making technical knowledge and skills a part of general culture, has not prevented technical and, above all, vocational training from being given inferior status and held in low esteem in the education system.

The second and more recent trend has been the development of a range of educational approaches in which school studies are supplemented by work experience. This alternation between periods of work and formal teaching is designed to facilitate the transition to employment (1). The links thereby established alter the apportionment of roles and responsibilities between school and work.

(1) ROSE, J., En quête d'emploi. Formation, chômage, emploi (in search of employment - training, unemployment and work), Economica, Paris, 1984.

SPECIFIC APPROACHES

Nevertheless, depending on the particular country concerned, these broad trends take widely differing forms. In some countries, general education predominates and, in others, vocational training while, in a third group, the situation is somewhere between the two.

This raises an important issue: what is the importance in the transformations described, on the one hand, the growing internationalisation of economies, information and culture and, on the other, the institutional and social factors shaped essentially by national histories? In other words, do educational structures and employment relationships give rise to specific forms of unemployment and educational exclusion?

As far as policies are concerned, a simple distinction might, for instance, be drawn between countries in which the abandonment of compromise opens the way to sweeping changes and those which attempt progressive change based on negotiated settlements. What then is the relative impact, in both recessions and periods of growth, of, on the one hand, the growing internationalisation of economic activities, which is leading to more standardised forms of regulation, and, on the other, of the equally vigorous processes whereby national peculiarities are preserved? At a time when economic recovery once more seems to be gathering strength, this paper sets out to consider the ways in which the different forms of exclusion from employment are related to existing educational patterns and the job rationing process.

SELECTIVITY OF UNEMPLOYMENT

We are no longer in the 19th century, when Frédéric Le Play described manufacturing as an invention which produces cotton and poverty. Today, it is unemployment which is the main factor in the "marginalisation" of whole sectors of the population. Even though education is developing throughout Europe and illiteracy is declining, a low level of education predisposes to unemployment.

Raymond Ledrut (1) showed some time ago how, in a period of full-employment, an unemployed population could be distinguished from an equivalent employed group by their lower level of education. As unemployment becomes more widespread, it tends to affect wage earners indiscriminately. However, although qualifications lose value, it is paradoxically the unqualified whose situation deteriorates. Faced with a growing choice in the labour market, employers raise their requirements. Among the unemployed, those with qualifications therefore appear to have greater mobility, while the poorly educated are unable to escape. Length of unemployment thus becomes the main obstacle to finding a job. In such circumstances, measures to reduce unemployment and an upturn in the job market have little effect on long-term unemployment. Poor education and long-term unemployment thus combine in a process of social exclusion.

(1) LEDRUT, R., *Sociologie du Chômage* (the sociology of unemployment), P.U.F., Paris, 1966.

A PRAGMATIC APPROACH

An attempt to define the social exclusion process will accordingly involve not only an examination of long-term unemployment and educational deficiencies in today's Europe but also an assessment of the scope and effectiveness of the steps taken by the governments concerned to deal with the problem.

The aims and scope of the study have been determined by the principles set out above. Attitudes to the exclusion process, which has been accentuated by the economic crisis and, more particularly, by long-term unemployment and educational "deficiencies", are seen to be linked both to the internationalisation of economic activity and to the specific national policies pursued. The study therefore focuses on six countries which reflect the range of European experience: Belgium, France, Portugal, Spain, Sweden and the United Kingdom.

Selecting certain countries in order to target the analysis inevitably introduces an arbitrary element. However, it does make it possible to compare and contrast different education systems, employment and unemployment situations and measures to raise educational standards and reduce unemployment which clearly reflect a variety of economic policy responses to the crisis. It provides a basis for examining the different ways in which the exclusion process is altering the social structure at a time when the recession appears to be steadily giving way to economic recovery.

The report is laid out as follows. The first chapter looks at the six countries as a group and they are then considered individually in chapter II. Chapter III outlines the main features of long-term unemployment while chapter IV reviews the types of measures introduced in the different countries and assesses the impact of national policies. Chapter V looks at the problems associated with lack of education and training and with illiteracy while chapter VI sets them in the context of the labour market and chapter VII in that of economic policy options. The final chapter discusses the relationship between educational deficiencies, and long-term unemployment. The aim is thus to identify both the ways in which social exclusion operates and the role of public policy in this area.

To this end, the study draws together, from a large number of sources, all the available information on education, employment, unemployment and governmental action.

For obvious reasons of comparability, we have relied wherever possible on standardised data emanating from international organisations. However, they have been supplemented by data of national origin.

This pragmatic approach was necessary in order to take account of the disparate nature of information from a variety of sources, and to examine concepts such as long-term unemployment and illiteracy, which cannot be understood in isolation but have to be seen in context.

CHAPTER I: AN OVERVIEW: EDUCATION AND PROLONGED UNEMPLOYMENT

A. The difficulty of defining categories

Any attempt to relate long-term unemployment and illiteracy raises problems from the outset. Not only is the link itself uncertain but the very concepts defy analysis because their definitions are unclear.

Before discussing figures and attempting comparisons, therefore, it is important to know what is meant by these terms, what their substance is and to what real-life situations they refer. It then becomes clear that statistical variations do not always measure differences in the incidence of either unemployment or illiteracy but rather reflect the ways in which they are viewed at a particular time in a particular place.

a. Unemployment and long-term unemployment

At the end of the 19th and beginning of the 20th centuries, craftsmen and small independent farmers saw their status in terms of the values of responsibility and personal freedom. Each had a specific occupation or trade which involved, in particular, handing down responsibilities and the tools of the trade from one generation to the next. Fluctuations in the work available were absorbed within the family or corporation.

With the new forms of management of time and labour which accompanied large-scale industrialisation, these fluctuations ceased to be dealt with by the family and instead took the form of unemployment. As wages became payable on an hourly basis, they were determined less by the actual work (to be) done than by the norms fixed by a decision-making centre. Thus members of the former trades were transformed into wage-earners as their trades dissolved into specific jobs filled by specific categories of employee. Fluctuations in available work were externalised (rather than absorbed) by firms, whose response was to dismiss workers and so cause unemployment.

This very gradual trend over a period of centuries became clearly identifiable as unemployment during the depression of the 1930s (1) and achieved relative maturity only in the 1960s (2). Before unemployment could achieve an identifiable status and be statistically measurable, there had to be specialist institutions for the payment of benefits and job placement

(1) See SALAIS, R., BAVEREZ, N. and REYNAUD, B., *L'invention du chômage* (the invention of unemployment), P.U.F., Paris, 1986.

(2) FRIOT, B., "La protection sociale et la situation des emplois" (social security and the employment situation), in MICHON, F. et SEGRESTIN, D. (eds), *L'emploi, l'entreprise et la société*, Economica, Paris, 1990, pp 168-180.

which made it worth people's while to declare themselves unemployed and necessitated a definition of "unemployment" to enable the "unemployed" to be counted.

The "formalisation" of unemployment has been gradual and has varied in extent from area to area according to the degree of urbanisation and industrialisation; statistical variations in unemployment rates, both geographically and over time, will therefore also reflect the extent to which the concept has been developed. In other words, it is still difficult to measure unemployment and comparisons, particularly international ones, are always open to debate.

In practice, there are two main ways of measuring unemployment. The first is derived from national unemployment management and benefit systems while the second is survey based. The former records the number of benefit recipients. Here the very definition of who is unemployed is affected by national and individual variations in the conditions governing the payment and duration of benefits. Thus, while the data may highlight trends within individual countries, they cannot as such provide a sound basis for comparisons between countries. The second source, a particularly important example of which is the EC labour force survey carried out by its member countries, is still subject to sampling problems as well as to those arising from the definition of unemployment. Nevertheless, where such surveys use a definition of unemployment which is in accordance with the 1982 directives of the International Labour Organisation (ILO), they offer much greater comparability (1). Even so, neither the questions asked to identify those meeting all the conditions to be classified as unemployed nor the use made of the questionnaires in the different countries guarantee homogeneity and thus comparability.

All these caveats as to the significance and, above all, the comparability of unemployment statistics apply even more to the measurement of long-term unemployment. Firstly, what is meant by long-term? Although at the time of full employment, there was some agreement that "long-term" meant unemployment for six months or more (2), the growth in unemployment has resulted in a consensus that it should mean one year or more.

-
- (1) For the purposes of labour force surveys, an unemployed person is one who:
- has no paid employment;
 - is seeking work and has taken active steps in the previous four weeks to find work or to register with a local employment office;
 - is available for work, in other words could, if necessary, start work within two weeks.

- (2) SINFELD, A., The long-term unemployed, OECD, Paris, 1968.

This report therefore takes the period of one year or more as its definition of long-term unemployment. The determination of this period is, however, affected by the way in which interruptions in unemployment due to sickness, short-term employment or other factors are recorded. And the definition is further complicated by the difficulties of imposing rigid distinctions between economic activity and inactivity and of computing successive periods of unemployment interspersed, for example, with periods of sickness.

b. Illiteracy

The term illiteracy is used to describe the situation of those who have not learnt, have forgotten, have learnt badly or have learnt inadequately how to read and write.

In Europe, the problem was thought, if not to have disappeared, to be confined to the third world; but some 15 years ago it resurfaced. In many countries, there was a migration problem, involving groups of people who were not only less well educated than those of the host country but also had to learn their new country's language. But it took the - very unexpected - discovery of illiteracy among indigenous populations to bring the problem into the open.

The great progress made in democratising education therefore conceals the fact that not all social groups have benefited equally. In other words, illiteracy does not signify a fall in general educational standards; on the contrary, these have risen considerably. However, it is precisely this overall rise which has revealed, in all its starkness, the situation of the school system's rejects. While these are probably fewer in number than before, they are placed at a still greater disadvantage by the cultural standards of everyday life, which require the mastery of a range of basic skills of which schools are monopoly suppliers. The children, young people and adults concerned therefore accumulate a series of handicaps which relegate them to the fringes of society.

This rediscovery of illiteracy also gives rise to a great deal of conjecture and rash judgments. In the absence of reliable data, articles and studies sometimes quote figures which cannot but be fanciful. It would, to say the least, be risky to assert that there has been a return to or increase in illiteracy. On what criteria are such statements based? Given the increase in the proportion of young people in education, it can be argued that, in principle, schools are now fulfilling their task of teaching people to read and write somewhat better than before. Nevertheless, tests in numerous countries on people called up to do national service, as well as survey results, have shown that illiteracy is a real phenomenon, even if it has diminished in extent.

The vagueness of definitions of illiteracy means that it is scarcely possible to measure the precise extent of the phenomenon and even more risky to attempt international comparisons. However, a distinction is currently drawn between total illiteracy, ie inability to read or write, and partial illiteracy, ie insufficient mastery of these skills, with gradations between the two concepts.

However, since this report is not concerned with total illiteracy as such, these precise definitions are irrelevant. The issue addressed is the relationship between low educational attainment and long-term unemployment and the need for more and more qualifications in order to escape unemployment. This is especially so when prolonged unemployment constitutes the main barrier to such an escape and creates a need for some form of compensatory training.

The study is therefore concerned more with the relationship between schools' "output" and society's demands and thus, in each particular national context, with the precise nature of the link between long-term unemployment and low educational attainment.

For the reasons stated in connection with the definition of long-term unemployment and educational attainment, the study does not rely excessively on statistics. The way in which such statistics are produced means that, unless sufficient precautions are taken, their use is, in most cases, likely to be less a source of clarity than of confusion. The superficial precision of the available data calls for extreme caution and they should be seen primarily as general estimates or indicators of trends, which remain open to discussion.

B. Unemployment and long-term unemployment

Long-term unemployment in Europe increased in two main stages. The first came with the recession of 1974-76 and resulted in a near doubling of most countries' long-term unemployment rate. The second stage, in 1979-81, accompanied the second oil crisis and its associated recession and resulted in a large increase in unemployment. After 1985, however, the unemployment rate started to level out and then fall in a number of countries: there has been a noticeable reduction in unemployment in Belgium, Sweden and the United Kingdom since 1985, in Spain since 1986, in Portugal since 1987 and in France only since 1988.

These international comparisons also highlight the very great disparities between countries with high rates of unemployment and Sweden which, with its very low rate, is the exception to the rule. National situations will be examined later.

Table 1 - Unemployment and trends in standardised unemployment rates

Country	Unemployed 1987 (000s)	Percentage of the economically active population						
		1979	1983	1984	1985	1986	1987	1988
Belgium	466.0	8.2	12.1	12.1	11.3	11.2	11.1	10.2
France	2516.9	5.9	8.3	9.7	10.2	10.4	10.5	10.3
Portugal	317.2		7.9	8.4	8.5	8.5	7.0	5.7
Spain	2956.6	8.5	17.2	20.1	21.4	21.0	20.1	19.1
Sweden	84.0	2.1	3.5	3.1	2.8	2.7	1.9	1.6
United Kingdom	2908.8	5.0	12.4	11.7	11.2	11.2	10.2	8.3

Source: OECD

Although unemployment was once held to be a consequence of the personal characteristics of the unemployed themselves (age, sex, education and training, nationality, employability etc), it is now widely acknowledged that it originates in low economic growth and an absolute shortage of jobs. It is nevertheless the case that, whereas redundancies lead to an increase in unemployment, the creation of new jobs does not necessarily have the opposite effect. It may result at some subsequent stage in reduced unemployment or, in many cases, in an increase in long-term unemployment.

Reference has already been made to what certain writers have termed the perverse effect of job creation (1). While the destruction of jobs causes unemployment, the creation of new ones does not necessarily lead to a corresponding fall in the number of unemployed on benefit, since the required labour may be recruited from among school leavers or from the non-working population, particularly women. Thus when redundancies coincide with the creation of an equivalent number of new jobs elsewhere, the result is normally an increase in the number of unemployed in receipt of benefit.

This discrepancy is even more marked in the case of the long-term unemployed since the "perverse effect" referred to above means that the unemployed working population are competing with the non-working population (young people, women etc) for available jobs. However, it also means that there is competition for jobs within both the non-working and the unemployed populations, which can be seen in terms of a queue. In practice, employers tend to recruit the most competitive job-seekers first. The result is that prolonged unemployment becomes the major obstacle in the search for work. This is why the recovery in employment in most of Europe since 1986 could still be accompanied by an increase in long-term unemployment. Despite this recovery, the unemployed may still be caught in the unemployment trap.

(1) SALAIS, R., "Le chômage, un phénomène de file d'attente"
(unemployment as a queue), *Economie et statistiques*, No. 123, July 1980.

Table 2 - Long-term unemployment (one year or more) as a percentage of total unemployment (survey data)

<u>Years</u>	Belgium	France	Portugal	Spain	Sweden	United Kingdom
1983 Men (1)	60.0	39.0		49.8	10.8	52.3
Women (2)	70.3	44.8		58.5	9.7	36.0
Total (3)	65.8	42.2		52.9	10.3	46.6
1984 Men (1)	64.1	36.7		50.8	12.8	55.0
Women (2)	71.5	47.0		59.4	12.0	36.4
Total (3)	68.4	42.3		53.7	12.4	48.1
1985 Men (1)	64.2	42.7		53.9	10.9	55.2
Women (2)	72.6	50.5		62.0	11.9	36.0
Total (3)	69.2	46.8		56.8	11.4	48.1
1986 Men (1)	66.9	46.1	50.9	54.5	6.4	52.3
Women (2)	72.4	49.4	60.6	63.0	9.8	32.7
Total (3)	70.8	47.8	56.2	57.6	8.1	45.0
1987 Men (1)	72.1	42.9	50.7	57.2	7.5	52.9
Women (2)	76.3	47.6	61.5	67.2	8.6	32.1
Total (3)	74.5	45.5	56.6	61.9	8.2	45.2
1988 Men (1)		41.2		55.5	8.3	
Women (2)		46.8		67.7	8.1	
Total (3)		44.8		61.5	8.2	

(1) As a percentage of male unemployment

(2) As a percentage of female unemployment

(3) As a percentage of total unemployment

Source: OECD

C. Low levels of education

In addition to the national data set out in the next chapter, we have from OECD information on unemployment rates by level of education in 1988 in four countries: Belgium, Spain, Sweden and the United Kingdom.

It should be noted firstly that the definitions of the levels differ. Thus in Belgium, Sweden and the United Kingdom, level A, which covers the unemployed with low educational standards, includes all those with minimum secondary education (a total of 9 years' schooling). In Spain, however, this level includes those who are explicitly classified as illiterate and those who have completed only primary education. It should also be noted that, whereas in Belgium and the United Kingdom, unemployment rates are significantly higher among the poorest educated, in Spain, the highest rates occur in level B (those with a certificate of primary and secondary education).

Table 3 - Unemployment rates by level of education and sex - 1988 (1)

		Men	Women
BELGIUM	Total	6.9	17.4
Level A		9.0	22.4
Level B		4.6	15.9
Level E		3.2	7.7
SPAIN	Total	15.5	24.4
Level A		14.7	17.9
Level B		18.8	33.7
Level D		11.3	21.8
Level E		9.9	27.4
SWEDEN	Total	1.8	1.8
Level A		2.1	2.2
Level B		1.4	1.5
Level C		2.2	2.1
Level D		1.4	0.8
Level E		0.8	0.8
UNITED KINGDOM	Total	10.4	9.7
Level A		14.8	11.3
Level B		7.7	7.0
Level C		8.1	10.1
Level E		3.7	4.7

Source: OECD

(1)

A = Completed less than upper secondary education

B = Some upper secondary education

C = Completed upper secondary education

D = Some post-secondary education

E = University education

For Spain, the definitions are as follows:

A = Illiterates, those with no schooling or primary education only

B = Certificate of studies: primary and secondary + technical (levels 1 and 2)

D = Pre-university - middle level track

E = Higher education

From the point of view of unemployment, it is not possible to establish a direct link between educational attainment and loss of job. On the one hand, a high level of qualifications does improve the employment seeker's position in the job queue. However, a level of training which results either in too narrow a degree of specialisation or in high expectations in terms of employment conditions or earnings could delay the placement process. Moreover, according to the theory of market segmentation, while inadequate education and training may result in the relegation of those concerned to secondary labour markets characterised by precarious employment and high turnover rates, such employment nevertheless provides opportunities to escape from unemployment.

Throughout the period of rising unemployment (1974-85), it was the least well-qualified workers who were most severely affected. As the number of applicants for the limited jobs available increases, employers become all the more demanding in their recruitment. Even if qualification scales are not modified, it becomes necessary to be better educated than before to do the same job. The least well-qualified employment seekers are thereby pushed to the back of the job queue.

All the available data, while by no means totally consistent, suggest that education reduces the risk of unemployment. Thus, the lowest levels of educational attainment generally correspond to the highest rates of unemployment. This applies even more to long-term unemployment.

D. Mobility and immobility in unemployment

In general, available data talk about a "stock" of unemployment. Variations in the stock depend on the pattern of inflows (those becoming unemployed) and outflows (those ceasing to be unemployed). Thus, two theoretical populations with similar numbers of unemployed could equate with very different situations. If flows into and out of unemployment are very small, the unemployed population is not renewed but always remains the same. One can speak here of immobility of unemployment. In contrast, a population which is constantly renewed by significant inflows is characterised by mobility of unemployment.

When unemployment suddenly starts to rise, the most "vulnerable" workers are always the first victims: those with the least aptitude for work because of physical or mental handicaps, young people without vocational experience, women, older employees and those whose educational attainment is low. On the other hand, when there is a recovery in employment, the least employable unemployed are the last to be taken on. In other words, the social groups which would have been the first to feed the inflows to unemployment are excluded from the subsequent outflows and instead become the long-term unemployed.

If the dynamics of unemployment are viewed in these terms, educational attainment becomes not an isolated variable but one which must be related to the country, region, sex and age of the groups concerned. As was seen in the previous paragraph, it is not necessarily among those with the poorest qualifications that the greatest increases in unemployment are systematically recorded.

What can be stated, however, is that those with the lowest educational qualifications (primary or lower secondary only) are most at risk from long-term unemployment. The rising level of unemployment among them is mainly the consequence of the lengthening of their period of inactivity. It is precisely their situation as the long-term unemployed which becomes the main obstacle to finding work and prevents them from benefiting from any recovery in employment.

Just as educational levels have risen greatly, so the minimum educational standards required by potential employers have also been raised. Paradoxically, the devaluation of qualifications has had the greatest impact on the least well-qualified, by reducing their employability. Thus, excluded from the effects of the upturn in employment, they continue to be locked into prolonged unemployment.

The answer to long-term unemployment does not, therefore, lie in a general raising of educational standards. It is more the gap between the least-well qualified members of the labour force and the rest which is the problem. Training programmes will have more impact on unemployment if they are concerned with raising the levels of attainment of the least well educated. Although such programmes can have only a limited effect in periods of massive unemployment, they could be extremely effective with the present upturn in employment.

CHAPTER II: THE SITUATION IN INDIVIDUAL COUNTRIES

Using mainly national statistics, this chapter outlines the situation in each of the countries considered (Belgium, Spain, France, Portugal, the United Kingdom and Sweden) from the point of view both of the extent of long-term unemployment and of the steps taken to limit its effects.

A. Unemployment: the "Belgian disease"

In the late 1970s and early 1980s, unemployment was the number one problem for Belgian society. Throughout this period, as trade union demands for a reduction in the working week to absorb unemployment were resisted by the employers, government efforts to bring down unemployment through vocational training, early retirement schemes and alternative employment programmes failed to stem its growth.

Its particularly adverse unemployment situation and its specific benefits system have given Belgium one of the highest rates of long-term unemployment of any country.

In Belgium, anyone who is made redundant and is entitled to unemployment benefits may continue to receive them indefinitely, whereas, in most other countries, unemployment benefits are payable only for a fixed period (often 12 months), after which the unemployed person is covered by another, usually less generous, system.

After 1983, with the recovery in employment, the unemployment curve turned sharply downwards. Nevertheless, long-term unemployment as a proportion of total unemployment has continued to rise.

**Table 4 - Belgium: unemployment and long-term unemployment
(12 months or over) - 1983 and 1989.**

	1983	1989
Unemployment (000s)	491.1	421.5
Long-term unemployment as a percentage of total unemployment	56.0 %	65.2 %

Source: ONEM

Belgian unemployment statistics include a classification termed structural unemployment, which covers those unemployed for two years or over. Analysis of these data shows that length of unemployment is also a function of educational attainment: as the level of education rises, structural unemployment diminishes. And so, although total unemployment fell between 1983 and 1989, structural unemployment rose, mainly as a consequence of prolonged unemployment among the least well-educated categories. The data also show clearly that women, whatever their educational qualifications, experienced markedly longer periods of unemployment than their male counterparts.

Table 5 - Belgium: structurally unemployed (2 years or over) by educational level as a percentage of all unemployed - 1983 and 1989.

Educational level	1983			1989		
	M	W	T	M	W	T
Primary education	42.9	65.0	53.0	56.1	60.2	58.3
Lower secondary education	21.3	49.2	37.3	37.5	51.8	47.5
Upper secondary education	18.3	32.7	28.8	33.4	47.3	43.3
Higher education	11.8	14.5	13.6	19.5	23.3	22.0
Apprenticeship (*)	15.0	42.9	27.7	34.5	50.1	43.6
Other studies	35.3	47.3	41.4	52.6	49.2	51.3

Source: ONEM

(*) The system of vocational apprenticeships operating under the auspices of the Ministry for Small Firms and Traders. Despite the extent of long-term unemployment in Belgium, few specific measures have been introduced by the authorities. Most initiatives have been part of wider programmes for the unemployed generally. Some are, however, geared to the long-term unemployed.

One example is the training programme for young people (PFJ) launched in 1983. It uses placements with employers to give young people work experience to facilitate the transition from school to employment. Employers are required to take on a quota of trainees (3% of their workforce), 90% of whose remuneration is met by the public authorities. The programme is primarily aimed at young people aged under 30 who have been unemployed for more than two years.

Several job-creation programmes aimed mainly at providing employment for the long-term unemployed in socially useful projects or with public authorities have been developed. Examples are the 1982 "Troisième Circuit du Travail" (third employment circuit - TCT) programme, the "Fonds budgétaire interdépartemental pour la promotion de l'emploi" (interdepartmental fund for employment promotion - FBI) and the "plus un" and "plus deux" programmes. The public authorities meet a significant proportion of the remuneration costs of the TCT and FBI programmes (in the case of the former, often all of them). The "plus un" and "plus deux" programmes, introduced in 1982 and extended in 1986, are designed to encourage small and medium sized firms to take on one or two additional employees from among the long-term unemployed in exchange for a reduction in their social security contributions.

Measures to reduce employers' social security contributions were introduced for the period 1987-1992 for employers who take on certain categories of long-term unemployed.

Finally, a whole series of earlier measures to provide public employment for the unemployed were brought together in 1989 into a single "Agents Contractuels Subventionnés" (grant-aided contractual employees - ACS) programme.

A programme called "1 + 1 = 3" has been established to boost training possibilities for the long-term unemployed and comes into operation in 1990. Its purpose is to co-ordinate the activities of central government, which pays unemployment benefits, the communities, which are responsible for training, the regions, which provide placement services (1), the two sides of industry, which regulate training, and employers, who are responsible for recruitment. Initially, the operation will be restricted to some 110,000 unemployed people aged under 35 who have been out of work for over a year.

Other vocational training measures, such as the Initiatives Locales d'Emploi (local employment initiatives - ILE) and the Ateliers Régionaux (regional workshops), form part of programmes financed by the European Social Fund of the European Community.

In addition to these various measures, voluntary organisations have arranged numerous programmes for vocational placement and raising the educational attainment of unemployed people with poor qualifications. Particular examples in the literacy field are the "Lire et Ecrire" association in the French speaking community and "Alfabetisering Vlaanderen" in the Dutch speaking area.

The Belgian situation is therefore characterised first of all by a very high level of unemployment. Although the overall level has certainly fallen in response to the recovery of the last few years, long-term unemployment as a proportion of total unemployment has continued to rise. Women and people with poor educational qualifications are the main groups who have become trapped in unemployment.

Given the size of the problem, measures to reduce unemployment, although significant, have an inevitably limited impact. In practice, they reflect the structural changes which, at the time of the recession, altered employment relationships in Belgium. Between 1975 and 1983, the proportion of the workforce employed in the industrial sector fell while that in the service sector rose. The formerly labour intensive manufacturing sector has steadily become more and more capital intensive. The service sector, in contrast, particularly non-market services, has become increasingly labour intensive. The high level of unemployment has tended to depress wages and has had a detrimental effect on conditions of employment. The measures to reduce unemployment and firms' labour policies have both served to make the labour market less stable.

Under these circumstances, the recovery in employment since 1983 has not been able to make a significant impact on long-term unemployment. Additional measures aimed specifically at the long-term unemployed and those with poor educational qualifications must therefore now be considered a priority.

(1) Regionalisation is based on three communities (the Dutch, French and German speaking communities) and three regions (Flanders, Wallonia and Brussels).

B. Spain: employment instability and long-term unemployment

The previous system in Spain, based on paternalistic and fascist principles, forbade free trade unions and the right to strike, although a high level of government intervention provided some protection against redundancies, thus rigidifying the labour market.

The end of this regime, with the death of Franco in 1975, coincided with a deep economic recession. The new period of democratic restoration saw the legalisation of trade unions and the right to strike and the development of collective bargaining, as well as increased opportunities for redundancies, the growth of temporary contracts of employment and the development of the black economy.

The structural changes to the Spanish economy which accompanied the recession resulted mainly in an enormous increase in the manufacturing industry's productivity, with a consequent decline in employment, and a growth in services. During this period, unemployment in Spain rose even more than in the rest of Europe, from 697,000 in 1976 to nearly 3 million in 1985, that is from 5.3% to 22% of the working population.

Unemployment reached a peak in 1985 and is now falling. However this favourable trend has had hardly any effect on long-term unemployment, which has increased as a proportion of the total. Thus, while unemployment rose rapidly in Spain during the economic crisis, long-term unemployment increased still faster. The fall in unemployment since 1985 has not been sufficient to overcome the problem and is making long-term unemployment relatively more significant.

It should also be noted that 75% of the long-term unemployed are still seeking their first job, whereas in countries such as Belgium, unemployment nearly always results from the loss of a previous job. Thus, long-term unemployment in Spain particularly affects young people.

**Table 6 - Spain: unemployment and long-term unemployment
(more than one year) - 1985-1989.**

	1985 (1)	1989 (2)
Unemployment (000s)	2,955.1	2,573.8
Long-term unemployment as a percentage of total unemployment	40.6 %	58.8 %

Source: INE - survey of the working population

(1) Annual average

(2) Average for the first three quarters

Surveys of the working population in Spain provide information on educational levels and specifically distinguish illiterates (defined as those unable to read and write), the "non-educated" (no certificate of studies but a basic ability to read and write) and those who have completed primary education.

Overall, the unemployed do not differ significantly from the working population as a whole in terms of educational levels. One exception is that those holding a certificate of intermediate education are over-represented among the unemployed. It therefore appears that a significant group who have completed studies up to an intermediate level have more difficulty finding employment than those without secondary education; the latter are likely to be in lower status jobs, whilst the posts to which the former aspire are filled by people with higher educational qualifications.

These findings apply almost equally to the long-term unemployed. A higher level of education provides no protection against prolonged unemployment. People with low educational qualifications are restricted to secondary labour markets which, though characterised by short-term employment, provide opportunities for mobility and so limit the amount of long-term unemployment among those categories of employees whose position is inherently unstable.

Table 7 - Spain: Working population and unemployment - 1985-1989.

Educational level	Working population (%)		Unemployment (%)	
	1985 (1)	1989 (2)	1985 (1)	1989 (2)
Illiterates	2.3	1.7	2.5	2.1
Non-educated	10.2	10.2	9.3	9.0
Primary	48.4	39.1	37.8	31.9
Intermediate	30.1	37.9	43.4	48.3
Pre-university	4.7	5.7	3.5	4.5
Higher	4.4	5.4	3.5	4.2
Total %	100.0	100.0	100.0	100.0
N (000s)	13,625.2	14,782.2	2,955.1	2,573.8

Source: surveys of the working population

(1) Annual averages

(2) Averages for the first three quarters

Since 1984, there has been a whole series of job creation and vocational training measures. The former include assistance with employment in co-operatives, grants for the recruitment of women in occupations or sectors where they are under-represented, local job creation initiatives, allowances and special allowances for young people, new apprenticeships and agreements to promote the employment of the long-term unemployed in the public service, autonomous communities and local authorities. Vocational training measures include training for the long-term unemployed aged over 25 and the unemployed in rural areas and provisions to enable certain categories of the long-term unemployed to take part in other courses organised under the vocational training plan (FIP Plan).

In Spain, measures to promote adult literacy are the responsibility of the Ministry of Education whereas measures affecting the labour market come under the auspices of the Ministry of Labour and Social Security and are more recent in origin. Before the recommendation in the resolution adopted in December 1984 by the Council of the European Communities that steps be taken to combat long-term unemployment, there were practically no provisions other than those designed to create jobs through grants to employers and early retirement allowances for the long-term unemployed aged over 55.

Overall, a large number of unemployed people are affected by these measures and it is currently estimated that more than a third of the long-term unemployed benefit from one or more of them.

Measures to "fragment" or share jobs (fixed-term contracts, part-time employment) have reduced neither the size of the black economy nor long-term unemployment.

To sum up, long-term unemployment in Spain has more than tripled since 1976 and now accounts for nearly 60% of total unemployment. Economic recovery, very marked since 1987, has had some effect on unemployment but only a very limited impact on long-term unemployment, despite the special measures introduced in this field.

Unemployment protection must therefore be developed. The very high level of long-term unemployment itself creates problems as far as extending protection is concerned, since the maximum period of entitlement to benefits is at present 42 months.

C. France: exclusion and reintegration of the long-term unemployed

Between 1974 and 1982, the percentage of unemployed in the working population increased fourfold from 1.8% in 1973 to 8.3% in 1982. Unemployment then levelled off and, with the recovery in employment, has been falling since 1988. At the same time, there has also been an increase in long-term unemployment, involving groups with a high risk of exclusion from the labour market.

**Table 8 - France: unemployment and long-term unemployment
(more than one year) - 1983 and 1988**

	1983	1988
Unemployment (000s)	1,974.0	2,443.0
Long-term unemployment as a percentage of total unemployment	42.2 %	44.8 %

Source: OECD

The unemployed may be divided into those who experience recurrent and alternating periods of employment and short-term unemployment and those who do not even find temporary jobs and for whom long-term unemployment means exclusion from the labour market.

Members of the latter group, often characterised in terms of their "limited productive potential" which gives them access to only a limited range of jobs, are seen as illiterate and lacking in an direct work experience. In practice, their low educational attainment and lack of work experience lead to extended unemployment which, in turn, reinforces these handicaps and thereby makes long-term unemployment a mechanism for exclusion (1).

The result is that part of the long-term unemployed experience one of two main forms of exclusion from employment (2). The first, which involves remaining on the unemployment register, is that of continuing unemployment. The second involves a withdrawal into economic inactivity and may be seen as the disincentive effect of a long period of unemployment.

One section of the long-term unemployed is thus defined in terms initially of greater vulnerability to unemployment and subsequently of a low level of employability and is, as a result, excluded even from the sort of mobility which offers access to unstable forms of employment.

The French government's first steps to counter long-term unemployment, taken in 1979, focused on the demand for labour and involved direct employment grants and recruitment premiums.

(1) See ANPE (Agence Nationale pour l'Emploi), Les demandeurs d'emploi de longue durée. Analyse d'une population (The long-term unemployed. An analysis), Unpublished document, 1983.

(2) FOUDI, R., "Le chômage de longue durée: exclusion et réinsertion", MICHON, F. and SEGRESTIN, R. (eds), L'emploi, l'entreprise et la société, Economica, Paris, 1990, pp. 208-220.

The change of government in 1981 resulted in much more ambitious programmes concerned with both supply and demand. Initially, attempts were made to provide better guidance for unemployed people through direct contacts. This was followed in 1983 by a special training programme for the long-term unemployed. The scope of the programme was considerably extended in 1985.

A number of linked work and retraining schemes have been established. One type involved employment contracts exempting the employer from paying the social security contributions of the person concerned for one year, while the state met the costs of training. A second type concerns training schemes in which the very long-term unemployed have the opportunity to undergo training with an employer.

In 1985, a direct subsidy to employers providing part-time work for the long-term unemployed was introduced. It was abolished in 1987 following the establishment of other programmes aimed at the same target groups.

1985 also saw the introduction of a programme involving work of benefit to the community: the Travaux d'Utilité Collective (TUC). It was initially aimed at unemployed people aged under 25 and was designed to create jobs, with associated training, in local authorities. In 1987, a new programme involving similar types of work offered a six-month period of employment, renewable once, for those aged over 25.

Three measures aimed specifically at the long-term unemployed are currently being used in France:

- Contrats de retour à l'emploi (return to work contracts - CRE): these are contracts of either fixed (6-18 months) or indefinite duration designed to encourage the recruitment of people who have been excluded from the labour market for a long period. Employers receive a flat-rate grant and, in certain circumstances, training may be financed and exemption granted from employers' social security contributions.

- Contrats d'emploi de solidarité: (employment solidarity contracts): these enable job-seekers to undertake work of value to the community and are designed to facilitate their reintegration into the world of work. They may be offered by public bodies, local and other territorial authorities and non-profit making organisations. The employee has a fixed-term contract of up to 24 months. Remuneration is based on the statutory minimum wage and is met by the state, while the employer is exempt from social security contributions.

- Actions d'insertion et de formation (placement and training activities - AIF): these last anything from 40 to 1200 hours and are intended to assist the long-term unemployed to return to work. They involve personalised training with the possibility of periods spent with an employer.

All these measures concerned with the supply of and demand for labour are based on both preventive action and the placement of the long-term unemployed. The emphasis is on guidance and training for the unemployed.

In France, there is a well developed legislative and regulatory base for these measures and considerable government involvement, but little provision is made for them in industrial relations agreements.

The recession was accompanied not only by increasing unemployment but also by a major expansion in less stable forms of employment: fixed-term contracts, part-time work (though less than in Belgium, the United Kingdom or Sweden) and a quite significant use of temporary (agency) staff. Steps taken by public authorities to provide or find work for the unemployed, particularly young people and the long-term unemployed, involving recruitment for short periods and low wage costs, also form part of the search for greater manpower flexibility. Other major legislative developments were the considerable relaxation of the conditions governing redundancies and the easing on the restriction of fixed-term contracts in 1986.

Social policies in France have increasingly taken on a twin role. The first is to reduce labour market rigidities in order to promote firms' competitiveness and the second is to facilitate the integration of those on the unemployment "scrap heap", particularly the long-term unemployed. In practice, however, it has not been possible to overcome the inherent inconsistency between these two aspects of the policy.

D. Portugal: action to combat illiteracy

Portugal has the largest agricultural sector of all the countries under consideration. Farming employs 26.7% of the working population, compared with 36.5% in industry and 36.8% in services.

The available unemployment data vary greatly according to source. However, the overall trend which emerges is that, after rising until 1986, unemployment is now diminishing significantly (1).

(1) The following unemployment figures come from the survey of the working population:

1985: 357,000
1986: 367,000
1987: 302,900
1988: 234,300
1989: 228,200

The numbers registered as unemployed (source IE - INE) were as follows:

1985: 420,900
1986: 417,600

**Table 9 - Portugal: unemployment and long-term unemployment
(more than one year) - 1986 and 1988.**

	1986	1988
Unemployment (000s)	360.0	258.0
Long-term unemployment as a percentage of total unemployment	56.2 %	56.5 %

Source: OECD

A majority of the unemployed (62%) are women and this proportion becomes considerably greater among the long-term unemployed.

On the basis of somewhat limited data (1), it appears that those with low educational attainment are markedly more at risk of long-term unemployment. Thus, approximately 6% of the long-term unemployed are recorded as being illiterate, 6% as having only rudimentary reading and writing skills and 37% as having at most four years' schooling.

In addition, despite the fall in unemployment, long-term unemployment is still a major problem and particularly appears to affect women and those with low educational attainment.

Despite the more flexible legislation on redundancies introduced in 1989, redundancies must still be justified in the light of the statutory principles of security and stability of employment. The very large increase in employment recorded since 1987 has resulted mainly from fixed-term contracts, which now cover nearly 20% of employees. Whether these employees become part of firms' permanent work forces appears to be largely dependent on their level of training.

Unemployment benefit in Portugal is set at 65% of previous wages, but cannot be less than, or more than three times greater than, the statutory minimum wage. It is paid for a period of six months plus one month for each complete year of employment. Former employees who are not, or are no longer, entitled to this benefit, may receive an unemployment allowance for up to 15 months, if their circumstances so require. The level of this benefit may not exceed the statutory minimum wage.

Those receiving unemployment benefits may take part in community oriented programmes run by non-profit making organisations approved by the employment services, but with no payment other than transport costs and subsistence.

(1) The 1988 figures are based on an analysis of the unemployment records for four of the five regions (the exception being Algarve); the records relate to 203,919 unemployed, of whom 65,155 had been out of work for less than a year and 138,764 (68%) for more than a year.

In 1988, the Employment and Vocational Training Institute introduced a vocational information and guidance programme for the long-term unemployed. The main reason for this was the recognition of the poor educational standards and inadequate vocational training of those concerned.

There are also a number of job creation schemes and other forms of assistance for the long-term unemployed. Examples include measures to encourage people who have completed vocational training to set up on their own account and assistance to firms which recruit the long-term unemployed on contracts of indefinite duration. In both cases, the grant amounts to 12 times the minimum wage.

The Ministry of Education and Culture (Directorate-General for Adult Education) is doing a great deal to help the least well-educated. According to the Ministry's statistics for the year 1988-89, some 20,490 took part in literacy courses, 18,000 in preparatory courses (reinforcement of basic skills) and 11,800 in vocational education and training.

Great emphasis is thus placed on measures to assist those with a low level of educational attainment in an environment in which the informal economy and agricultural sector are of major importance, even though under-employment is not systematically associated with unemployment, and even less with long-term unemployment.

E. The United Kingdom: a comprehensive policy

Since 1973, the main structural change in the British economy has been the relative decline in the manufacturing sector, with regard to both value added and the level of employment. In 1973, manufacturing industry represented 30% of total employment, compared with only 23% in 1983. Over this period, more than 2 million jobs were lost in industry, whereas those in services increased by some 600,000, unemployment rose considerably, the largest increases being in the recessions of 1973-75 and 1979-82.

As in the other countries of Europe, the trend has altered in recent years, with a recovery in employment and a fall in unemployment. Although the numbers of both unemployed and long-term unemployed have declined since 1986, long-term unemployment as a proportion of total unemployment has actually risen.

Table 10 - United Kingdom: unemployment and long-term unemployment (more than one year) - 1986 and 1987.

	1986	1987
Unemployment (000s)	3,270.6	2,906.5
Long-term unemployment as a percentage of total unemployment	41.1 %	42.6 %

Source: Employment Gazette

The keystone of the fight against long-term unemployment in the United Kingdom is the Community Programme (CP), introduced in 1982. Its main purpose is to provide work for the long-term unemployed in projects which serve the community. The jobs may be full or part-time and last a maximum of one year. In 1987, approximately 230,000 people took part in the programme.

There are other, less important, schemes. The Jobstart Allowance (1985) provides an additional "top-up" for six months to the long-term unemployed who accept employment with inadequate pay. In 1987, some 6,000 employees received this assistance.

The Job clubs, set up in 1985, offer those unemployed for more than six months help in finding work, in the form of training sessions, free telephone and office facilities and various forms of advice and guidance.

Under the 1986 Restart Programme, every long-term unemployed person is invited to an interview in his or her local employment centre. There is some doubt, however, whether the prime concern is to provide the unemployed with effective guidance or to effect checks designed to bring down the unemployment statistics.

A whole range of adult training programmes set out to make the unemployed, particularly the long-term unemployed, better qualified.

These measures form part of an overall policy with three closely related elements, viz: direct job creation and the specific schemes and programmes described above; improved functioning of the labour market, using deregulation to promote the creation of new jobs; creation of jobs through greater flexibility and a spirit of enterprise.

However, the new jobs are taken by new entrants to the labour market and the most competitive employment seekers. Only rarely do the poorly educated long-term unemployed benefit from them.

In the United Kingdom, the initial point of access to employment after leaving school is perhaps more important than in the other countries considered. Young people who, particularly because of inadequate education, immediately find themselves in "peripheral" forms of employment will have little subsequent opportunity to find something more substantial.

The most common of the so-called "atypical" forms of employment is part-time work, which is particularly important among women. Its growth is also the reason for the lower female unemployment rate. Another distinctive feature is the large increase in the numbers of self-employed workers - those who hire themselves out to firms as sub-contractors and are paid not a fixed wage but according to their output. This development has been made possible by the absence of a legal framework which distinguishes between labour law and commercial law.

The progressive weakening of employment protection since 1979, in a system where it is in any case based on length of service and number of hours worked, means that only 70% of the workforce are now covered by it. This has favoured the "external flexibility" strategies adopted by many firms.

The result is that British employment policy is undoubtedly the one which offers the greatest scope to the development of so-called "hard core" theories, ie manpower policies in which labour is partly externalised, entailing resort to peripheral forms of employment (temporary and part-time employees, trainees, temporary agency employees, sub-contractors and the self-employed) and partly internalised, with a stable, trained and effectively permanent company workforce. The long-term unemployed, lacking training and denied access not only to the hard core but also to the more mobile areas of employment, are thus excluded from the labour market as a whole.

F. The "Swedish model"

The unemployment curve in Sweden has certainly followed the same general pattern as in other countries, but at a quite different level since unemployment there has continued to be very low.

As elsewhere, unemployment peaked in 1973-74 and 1981-83, since when it has fallen significantly. However, with a population comparable in size to Belgium, where the unemployment rate has consistently exceeded 10% and the number out of work has remained close to 500,000, Sweden's rate has always been below 3% and only in one year did the number of unemployed reach 150,000.

Long-term unemployment is practically non-existent and affects only a small proportion of the unemployed population. In 1989, only 3900 people had been unemployed for more than one year, 6.3% of the total.

**Table 11 - Sweden: unemployment and long-term unemployment
(more than one year) - 1983 and 1989.**

	1983	1989
Unemployment (000s)	155.6	61.4
Long-term unemployment as a percentage of total unemployment	10.8 %	6.3 %

Source: Arbetsmarknadsstyrelsen

In 1989, the Swedish unemployment rate was barely 1.3%: 61,400 people, divided almost equally between men and women.

The overall educational attainment of the Swedish working population is higher than that in other countries (1). This is reflected in the unemployment statistics, where the lowest educational levels recorded correspond to the nine-year period of compulsory schooling. Nevertheless, unemployment is higher among those who are less well educated. The highest rates occur among young people and women with low educational attainment levels.

This is why training plays such an important part in policies to curb unemployment. In particular, since the start of the 1980s, schools have been invited to draw up individual training plans for all young people aged under 18 who are no longer in education and who are unemployed, with a view to facilitating their integration in employment.

Given the limited extent of long-term unemployment, special measures to deal with it are naturally few in number. The most relevant is a programme under which short-term jobs are created for people unemployed for more than six months, in order to prepare them for entering regular employment. In addition, there is a broad range of measures focused on young people, the group with the highest proportion of unemployed.

In the case of redundancies, the normal principle is "last in, first out". The theory is that by maintaining the longest-serving and oldest employees in the sectors in difficulty and forcing younger workers to retrain for employment in the newly expanding sectors will encourage the necessary restructuring of productive capacity.

It is unnecessary here to set out all the measures introduced in Sweden to reduce unemployment since these differ little from those described for other countries. Their principal interest lies rather in the way in which they are linked to an economic and social policy which was already in place before the Second World War and which has been implemented, with necessary adjustments to circumstances, by a social-democratic party which has been almost continuously in power for over half a century and has made full employment or jobs for all its number one priority.

In other countries, governments are permanently tempted to "massage" their unemployment statistics, in order to eliminate those who are not "genuinely unemployed" and thereby present a more favourable picture. In Sweden, however, the aim is not just to find work for the unemployed but also to keep the more vulnerable groups (women, young people, the elderly, the disabled, migrants and so on) in employment and to detect "hidden unemployment" (particularly among the economically inactive female population) to enable all those who are able,

(1) According to OECD, more than half the working population in Sweden have an educational level higher than completed secondary studies, which is not the case in the other countries included in this study. Employment Outlook - 1989

and who wish to work, to find a job. Thus, recent research has identified a group of employees (32,000 men and 100,000 women) doing part-time work because they are unable to find full-time work. Part-time employment, which is very widespread in Sweden, therefore also conceals a measure of under-employment (1).

Two economists in the Swedish Trade Union Confederation (LO), Gösta Rehn and Rudolf Meidner, played an important part in establishing the "Swedish model". Economic policy was based on restraining demand in order to control inflation, while at the same time avoiding any negative effects on employment by means of an egalitarian income policy, selective programmes to curb unemployment and, finally, programmes to stimulate geographical and occupational mobility without disadvantaging employees.

Several lines of defence were introduced in response to the recession and the rise in unemployment in 1973-74 and 1981-83. Initially, steps were taken to promote employment by offering firms recruitment premiums and the unemployed greater training opportunities and access to short-term work programmes. As a result, although unemployment was kept under 2%, the measures introduced to contain the problem affected 4% of the working population. At the same time, the Swedish parliament adopted measures making it more difficult to declare redundancies and guaranteeing employees better social protection.

To summarise, a policy based on social partnership, though increasing the number of rigidities in the system in the short term, has made possible an in-depth restructuring of the Swedish economy and its long-term flexibility, while maintaining full employment. This is an employment policy which is not simply concerned with the unemployed and in which training occupies a key position.

G. Contrasting situations

This analysis of the situations in a number of European countries highlights both the common trends found in them all and the differing national contexts.

Firstly, of course, the situations vary greatly. At one extreme, there are countries like Spain and Portugal with very large hidden economies and significant under-employment, which does not always show up in unemployment figures, and even less in the numbers receiving benefit. This may be contrasted with Sweden, for example, with its very low unemployment and strict public control of the labour market.

(1) NEAL, A.C., "L'évolution des formes de l'emploi: le cas suédois" (trends in types of employment: the Swedish example), Travail et Emploi, no. 39, 1989.

a. Educational deficiencies

Everywhere, low levels of educational attainment appear to contribute to increased vulnerability in employment and reduced employability among the unemployed. Nevertheless, the very ways in which attainment is defined vary. In Spain and Portugal, those who are illiterate, together with those who have no certificate of studies and have great difficulties with reading and writing, are very carefully counted. In Sweden, however, the concept of "low educational attainment" corresponds to the compulsory period of nine years' schooling, even though, despite the absence of any statistical evidence, it might be suspected that there are some people below this level. Moreover, while a poor education seems to be one aspect of the unemployment trap in every country, it does also appear that in Spain unemployed people with a limited education may enjoy quite considerable mobility.

Thus, although unemployment, long-term unemployment and the vulnerability of the poorly educated are notions common to every country, their precise content, size and scope continue to differ greatly.

b. The origins of unemployment

The fall in employment during the economic crises was associated with a rise in unemployment and above all in long-term unemployment, which increased everywhere as a percentage of the total.

However, unemployment did not have the same origins in every country. In Spain, nearly a third of the unemployed (32%), and nearly half of the long-term unemployed (42%) are still looking for their first job. To a considerable extent, unemployment here affects young people who have reached working age but who have very few employment possibilities. In Belgium, however, where there is also a high level of unemployment, most of those concerned have actually lost their job. Only a minority of the unemployed are qualified young people looking for their first job (1).

Another feature is the high proportion of women among the unemployed and the long-term unemployed. There are several possible explanations for this but the main one almost certainly lies in the combined impact of the contraction in the number of jobs and the increasing rate of active employment among women. The latter appears to be such a firmly established trend that the recession was not sufficient to contain it, so that, in periods of unemployment, women enter the labour market via unemployment and various forms of unstable employment, particularly part-time work. It is significant that the two countries - the United Kingdom and Sweden - where women form a minority of the unemployed are precisely those where part-time work is most common. It might thus be argued that the price paid for the significant progress made by women workers in recent years has been a lowering of their employment status.

(1) In Belgium, the number of school leavers who are seeking work and receiving the allowance paid to those who have not yet found a first job represents 10% of all unemployed receiving benefits.

The relatively large number of young people and women affected is thus one of the major characteristics of unemployment today. It results, however, from there being too few jobs available.

c. Employment and economic crisis

As far as unemployment is concerned, all the countries were profoundly affected by the economic crisis and by the recessions of 1973-75 and 1979-83. There is nevertheless a significant difference between unemployment rates contained at around 2% and those which exceed 20%. Every country felt constrained to introduce measures to reduce unemployment and these measures were in many ways quite similar; however, they varied greatly with regard to their scale, scope and purpose.

In contrast, the recovery in employment and the fall in unemployment evident throughout Europe since the mid 1980s have not resulted in a reduction in long-term unemployment, which has remained at the same level and has increased as a proportion of total unemployment in all the countries considered, with the notable exception of Sweden.

In other words, the positive effects on unemployment of the recovery in employment appear to be less than the negative effects of the earlier job losses. When they take on new employees, firms choose from among the most competitive job seekers, who are just as likely to come from the ranks of the non-working population - with no attendant diminution in unemployment - as from the unemployed. The long-term unemployed with a low level of educational attainment permanently bring up the rear in the queue for what are still rationed jobs and find themselves overtaken by the new arrivals. The increasing length of their period of unemployment becomes the major obstacle to their reintegration so that, as employment recovers, the long-term unemployed become an increasing proportion of the total. They remain at the back of the queue.

CHAPTER III: THE MAIN FEATURES OF LONG-TERM UNEMPLOYMENT

Country by country analyses of unemployment reveal the overall extent of long-term unemployment, highlight its national variations (very low in Sweden and high in Belgium) and help to identify the reasons why it persists, despite the increase in employment. This chapter will look at certain other points about long-term unemployment: regional variations, its incidence within households and discouragement from seeking work.

A. Regional variations in outline

Long-term unemployment does not vary simply according to country. Within the national context, there are very large regional variations. As a result, regional levels and types of economic activity and local circumstances regarding employment, training and scientific research may interfere with national policies and measures in the fields of employment and unemployment.

Without going into a detailed regional or sub-regional analysis, it is still possible to draw some general conclusions from the labour force surveys carried out by the EC (1).

The regions most affected by long-term unemployment are Belgium as a whole, the West Midlands in England, Limousin in central France, Madrid and Catalonia and the northern and central areas of Spain generally, and the northern and central parts of Portugal.

Long-term unemployment is low in the south of England, and in south-western, eastern and north-eastern France and very low in the whole of Sweden. It is also worth noting that long-term unemployment tends to be low in regions geographically distant from the great industrial centres. Examples are the south of Portugal and Estremadura and the Balearic Islands in Spain. These are agricultural regions where, particularly as a result of tourist activities, there is also considerable seasonal employment.

In contrast, long-term unemployment is very high in traditionally industrial areas such as Charleroi and Liège in Belgium, Saint-Etienne and Besançon in France and the north of England. The author has examined these regions as part of a comparative study (2).

-
- (1) EUROSTAT, Long-term unemployment, (a study by J.J. SEXTON), Statistical Office of the European Communities, Luxembourg, 1988.
 - (2) ALALUF, M., and VANHEERSWYNGHEL, A., "Local employment, training structures and new technologies in traditional industrial regions. European comparisons", in High Technology Industry and Innovative Environments, P. AYDALOT and D. KEEBLE (eds), Routledge, London, 1988, pp. 184-196.

These characteristics of geographical distance on the one hand and traditional industry, on the other, show clearly that under-employment is not necessarily associated with either unemployment or long-term unemployment. The latter concepts acquire substance only in the context of wage-earning activities which take their most complete form in the old industrialised basins. While long-term unemployment is a good indicator of the problems of such regions, it is of only very limited significance in agricultural or geographically remoter areas, where other criteria must be sought.

B. Unemployment and households

Sexton's study based on labour force surveys (1) provides some information on the impact of unemployment at the household level. Such information is interesting because the impact of long-term unemployment may vary, depending, for example, on whether it is concentrated on certain households where all the working members of the family are affected or whether only one person, whose earnings only represent a subsidiary source of household income, is concerned.

Of the countries included in this study, only Belgium, France and the United Kingdom are covered by the Eurostat study, which refers to 1985.

The study shows that:

- in each of the three countries, unemployment affected some 10% of households. In other words, approximately 90% of households were not directly touched by unemployment;
- in a number of the households hit by unemployment, several members were affected. Thus, 21% of the Belgian, 22% of the French and 23% of the British households concerned had more than one unemployed member at the time of the survey;
- unemployment is therefore heavily concentrated in certain groups and when it becomes long-term may have a considerable stigmatising effect on them.

These data appear to show that there is no "substitution effect" whereby when the principal income earner (according to stereotypes, the husband) loses his job, other household members (particularly the wife) find work in order to maintain the family income. It appears rather that, when a household is affected by unemployment, it runs a greater risk than others of being similarly affected a second time.

This would also support the idea that women are now choosing to work for reasons other than family circumstances and that employment is sought for quite personal motives.

(1) EUROSTAT, op cit.

C. Discouragement from seeking work

After loss of job, followed by unemployment and then long-term unemployment, the next step is complete exclusion from the labour market as a result of discouragement. A person who would like to work no longer looks for employment, since after a certain time there appears to be no point in doing so, either because there are simply no jobs available or because the stigmatising effect of a succession of rejections ("lack of training", "too old", "too young") leads the job seeker to conclude that there is no alternative to a complete withdrawal from the employment scene.

Such discouragement raises the issue of "hidden unemployment" among the ranks of those normally classified as economically inactive. Many of them do not even offer their services on the labour market, despite their wish to work, because they see no chance of finding a job.

While there is no precise definition or measurement of the phenomenon, it is generally agreed that the "discouragement level" rises in line with the length of unemployment. Thus, long periods of unemployment may force those concerned to accept temporary, unstable, part-time (1), under-qualified and underpaid jobs in order to escape unemployment, failing which, having lost heart, they are then driven to give up the search for work.

A question in the EC labour force survey attempts to address this problem. The reasons which non-employed respondents may cite for looking for work include the option "Belief that work is not available or lack of knowledge of where to get work". The question was not asked in every country and was not always analysed; however, it does provide some data for Belgium and the United Kingdom related to 1985. It emerges that over and above the unemployed, there were an estimated 40,000 demoralised potential job seekers in Belgium (equivalent to about 10% of the unemployed) and 300,000 in the United Kingdom (12%) (2).

Sexton's study shows that "while the long-term unemployed and discouraged workers exhibit aspects of similarity in regard to labour force attachment, the general pattern is that the latter tend to be much older. This suggests that many older unemployed tend to discontinue job search at a relatively early stage, thus leading to their exclusion from the labour force as conventionally defined" (3).

-
- (1) The Belgian National Employment Office identifies a separate category of unemployed working part-time to avoid unemployment. There were 206,615 such people in January 1990, 82% of whom were women.
 - (2) Eurostat, op cit.
 - (3) Eurostat, op cit., p 92. An illustration of this is that, since 1985, Belgian job seekers aged over 55 have no longer been included in the unemployment statistics.

It appears that there are similarities between the two groups in terms of levels of educational attainment, although discouraged workers have a level possibly even lower than that of the long-term unemployed.

These findings very much support those relating to female employment, which suggest that the main reason for the increase in female activity rates is the rise in their educational standards, whereas the absence of educational qualifications is associated with a reduced willingness to enter the labour market. Might this be equally applicable to men?

D. The paths followed by the unemployed

The past and present circumstances and experiences of the unemployed vary greatly between countries and regions, as well as according to social and ethnic origin, socio-economic status and sex. The very concept of unemployment means something only when it is set in a specific social context.

Nevertheless, underlying this diversity is a common experience of unemployment which forms a single stem, onto which individual circumstances are grafted. In wage-earning societies where education plays such a key role in the socialisation process, it is now generally recognised that low levels of educational attainment are major determinants of the "career" pattern of the unemployed. This will now be briefly examined.

Entry into unemployment means the loss of a job. A low educational level not only makes for greater vulnerability in employment but is also, as was seen in the case of discouragement from work, one of the factors which determines whether or not a person actually offers his or her services on the labour market. It is one aspect of the distinction between the active and non-active.

The loss of a job affects the values of the person concerned and his/her relationship with social institutions and marks him/her as unemployed. The response to this breakdown in daily life is a search for permanence and stability.

In this sense, local social and family networks substitute for lost and now inaccessible work relationships. However, the conditions for this substitution are unfavourable. Firstly, it has already been noted that unemployment is concentrated in the same families and areas. For entire groups, deprivation becomes a fact of daily life.

As the period of unemployment lengthens, it becomes increasingly difficult to influence events. What is the good of looking for work which does not exist? Why study when there is no use for one's knowledge? And so a love-hate relationship develops vis-à-vis employment and knowledge.

Just as low educational attainment increases vulnerability to unemployment, so it reduces the employability of those concerned. The resulting prolonged period of unemployment in turn becomes the major obstacle in the search for a job. Thus, educational deprivation leads to employment deprivation and paves the way to various forms of social exclusion.

CHAPTER IV: MEASURES TO COMBAT LONG-TERM UNEMPLOYMENT

A. Types of measure

Chapter II, on the situation in the individual countries, outlines the measures they have taken to reduce long-term unemployment. The present chapter attempts to classify those measures and to indicate the main features of each classification.

Historically speaking, the measures originate in the employment policies introduced progressively to mitigate the effects of the crisis of the 1930s. To varying degrees, these policies were institutionalised after the Second World War. In the 1960s, most emphasis was laid on the supply of jobs, and more specifically on training and mobility, and on adjustment to prevailing circumstances. The fresh crisis of the mid 1970s, and the associated very high levels of unemployment, created a need for comprehensive employment policies. Special programmes for the young unemployed were established, together with job-creation premiums. It was following the 1979-81 recession that length of unemployment also became identified as an issue. Thereafter, specific measures for the long-term unemployed were frequently introduced in order to target aid more carefully.

There was also encouragement for this trend at the international level. OECD focused on the question in its 1983 Employment Outlook, the Council of the European Community adopted a resolution in 1984 on the fight against long-term unemployment, while in 1988, as part of its "Adult education and social change" project, the Council of Europe put forward an array of proposals drawn up by its Topic Group on the long-term unemployed.

The increasing use of selective measures since the mid 1970s therefore reflects a change in outlook. Whereas previous employment policies were designed to effect the adjustments needed to solve labour shortages, the economic crisis created a need to respond to what had become massive unemployment.

This is the context in which the previously mentioned measures dealing with long-term unemployment in the six countries should be seen. They may be summarised under six main headings:

a. Guidance and placement activities. The employment guidance, counselling and placement services have been considerably strengthened in a number of countries. Specific examples in the United Kingdom are the RESTART Programme (individual, in-depth guidance interviews for the long-term unemployed) and the JOBCLUBS Programme (help with job seeking in the form of guidance sessions and material assistance such as a telephone, office services and so on). In Portugal, an occupational information and guidance programme specifically for the long-term unemployed was established in 1988.

b. Training activities. Training programmes set up in the period of economic growth to balance the demand for and supply of jobs have had to be substantially modified to adapt to massive unemployment and the needs of specific groups. In Sweden, for example, programmes for job-seekers who have difficulty in finding work set out to improve their general skills and employability. The French employment-training contracts provide for alternation between training and work, while in Belgium, the "1 + 1 = 3" plan, drawn up in 1990, is designed to

offer the long-term unemployed training linked to the prospect of employment. Vocational training programmes for the long-term unemployed have also been developed in Spain.

c. Employment subsidies. These subsidies, which may take the form of exemptions from social security contributions, are paid for a limited period to private sector employers to enable them to take on additional staff by reducing their wage costs. Every country covered in the study makes some provision of this sort. However, the British JOBSTART programme, introduced in 1986, represents something of an innovation, since it involves an allowance paid to the long-term unemployed themselves to compensate for reduced earnings resulting from the acceptance of a job offer.

d. Direct job creation. These are programmes in the public sector or in non-market and non-profit making organisations to create temporary jobs (with the exception of the Belgian "Troisième Circuit de Travail", which sets no time limit) for the long-term unemployed. The state normally meets all or most of the wage costs and sometimes of the attendant administrative costs. Activities usually cover areas such as environmental improvement and the rehabilitation of old buildings and the social, educational and recreational spheres. Sweden experimented with this type of project in the crisis of the 1930s. More recently, the vast majority of the long-term unemployed have been involved in short-term programmes of this kind. Belgium has established a number of them, most of which were brought together in 1989 under the "Agents Contractuels Subventionnés" (ACS) scheme. The British "Community Programme" and the French "Travaux d'Utilité Collectifs" (TUC) come into the same category.

e. The promotion of self-employment. Several countries have introduced measures to encourage the unemployed to become self-employed. In the United Kingdom, such programmes, which are not just for the long-term unemployed, have been relatively more extensive than in the other countries. However, their equivalents are to be found in France, Spain, Portugal and Belgium.

f. Other measures. Other types of measures include the United Kingdom "Voluntary Projects Programme", which grant-assists organisations undertaking voluntary projects. The programme entitles unemployed participants to continue to receive their unemployment benefits and offers them literacy courses. Reference may also be made of French and Belgian measures to assist the unemployed to find part-time work.

B. How effective are such measures?

It is difficult to judge the effectiveness of these various policies, given that, despite a fall in unemployment in the last few years, the overall position of the long-term unemployed has deteriorated, at least in relative terms. "Hard core" unemployment is the term now used to designate structural long-term unemployment.

It must certainly be acknowledged that these various measures taken together cover a considerable range and are applicable to an appreciable number of workers. Nevertheless, their impact cannot be measured precisely.

Firstly, there are no data from which to assess the participation of the long-term unemployed in general employment programmes. Secondly, estimates of the effects of measures aimed specifically at the long-term unemployed vary according to the sources and methods used. Finally, evaluation criteria and even the definitions of different categories of long-term unemployed are still imprecise and open to discussion.

Undoubtedly, various programmes have had tangible effects; however, other than in Sweden, they have only affected a very small proportion of the long-term unemployed.

In very general terms, it is possible to attempt an assessment of each of the types of measure identified above.

The enormous growth in unemployment has transformed the task of occupational guidance and placement services. They have undoubtedly improved their methods, developed active placement systems and turned to other areas such as temporary or supply work and reconversion projects following closures. However, at the same time, private agencies arranging for temporary staff, personnel selection and the organisation of out-placements have also ventured into this area. There is reason to fear that this trend will result in public employment services being restricted to measures to reduce unemployment and various forms of casual work, while profitable, ie marketable, placement activities are increasingly covered by the private sector.

If only to facilitate the escape from long-term unemployment, training would appear to be one of the most useful activities available. However, the current situation raises two important issues. Firstly, the different appraisals carried out in this area (1) all agree that training initiatives aimed at the long-term unemployed are manifestly inadequate. Both the conditions governing access to such programmes and the training organisations' own objectives nearly always result in a "creaming off" process and the rejection of those with an insufficient level of training, particularly the illiterate (2).

A number of studies (3) have highlighted the relative ineffectiveness of employment subsidies used for jobs which, in many cases, would in all probability have been created anyway. The measures are then reckoned to help make the jobs available to the long-term unemployed.

-
- (1) OECD, Measures to assist the long-term unemployed, Paris, 1988; and RAJAN, A. and WALSH, K., "Measures to combat long-term unemployment in the European Community since the Council resolution of 1984", Social Europe, supplement no 5, 1989.
 - (2) OECD, *ibid*, pp 50-51.
 - (3) RAJAN and WALSH, *op. cit*.

Job-creation measures are often thought to be among the most effective. They are usually aimed at the long-term unemployed and frequently form part of local initiatives which may serve as an example to others. However, their growth potential is limited by their high cost. Moreover, as in the case of employment assistance, job-creation programmes inevitably tend to recruit from among the most "marketable" long-term unemployed. Here again, there is the creaming-off effect, which usually works to the detriment of the least well educated.

The main characteristics of these measures can be summarised as follows:

1. They have an undoubted effect, even if the number of jobs created is small compared to the number of people unemployed. Those who would otherwise be denied it are given the opportunity to work.
2. The resulting jobs are, however, essentially short-term, unstable and sometimes part-time. While the programmes do offer those concerned the chance to do paid work, they can have absolutely no certainty of remaining in employment.
3. Finally, programmes must be very carefully targeted if they are to benefit the most disadvantaged unemployed. If they are general in scope rather than aimed specifically at the long-term unemployed, they will very rarely benefit the latter, who will be handicapped by their prolonged period without work. Even when the measures are carefully targeted at the long-term unemployed, there will still be a selection process which will result in the least competitive continuing to be excluded from employment.

The conclusion which may be drawn is that public measures to combat long-term unemployment are undoubtedly one way of countering exclusion from the labour market but do not seem capable of overriding its selection processes to any significant extent (1).

-
- (1) This conclusion is similar to that relating to France in FOU DI, R., op. cit. Several studies commissioned by the EC have produced similar findings. A summary is to be found in Social Europe, Supplement: Programme of Research and Actions on the development of the labour market, 1985. Thus, Peter AUER's report covering the United Kingdom, France, the Federal Republic of Germany, Belgium, the Netherlands, Denmark, Sweden and Canada concluded that programmes for the long-term unemployed had done little to provide a lasting solution to the problem. Reintegration of the long-term unemployed: an overview of the public programme in eight countries, 1983.

C. A working society?

All these measures make up what may be termed an active employment policy, one which is not simply limited to the "passive" payment of unemployment benefits but where the decision has been made to promote activities designed to provide work for the unemployed.

Programmes to reduce unemployment generate temporary jobs. In France, these have been the subject of considerable debate. It is claimed that, at the bottom of the employment ladder, a new class of workers is emerging who enjoy no job security and who relieve others of the most menial tasks. According to André Gorz (1), in the case of services to individuals, a "new servant class" is making its appearance.

This working, or "active", society, so often advocated, also raises the problem of those who do not have access to the various gateways to employment. The people who have been unemployed longest or whose level of educational attainment is inadequate fall outside the scope of such policies. How would they survive in a society where only work counted?

There is also the problem of what lies behind words. The use of the term "active" to describe particular policies implicitly devalues those which are "passive" and are seen as their opposite. Such terminology also casts light on recent employment policies. Although a considerable number of work-oriented programmes have been imaginative, unemployment benefit schemes have by no means been given the same attention. In many respects, different forms of protection have been weakened and benefits systems attacked because they could reduce the acceptability of low-paid, temporary or part-time work. The implication is that unemployment benefits should be reduced to increase the incentive to work.

In other words, although employment programmes are necessary, particularly in response to long-term unemployment, they can be socially acceptable only if they build on existing benefits systems. Unravelling such systems would leave the most disadvantaged of the unemployed defenceless, whatever the coverage of the alternative programmes.

In practice, governments try to use unemployment programmes to control the supply of labour. In other words, they respond to the vicissitudes of the labour market with measures applicable to specific categories, but in making provision for a particular category, they also help to create and constitute it.

One such category is the long-term unemployed with a low level of educational attainment for whom there are specific programmes. The unemployed person is supposed not to work. However, social welfare schemes do not recognise all non-working situations as unemployment. Depending on the circumstances, the cessation of work may be classed as sickness, retirement, inactivity or unemployment. To qualify for certain special measures, individuals must behave in such a way as to be recognised firstly as unemployed, then as long-term unemployed and finally as having low educational standards. The policies

(1) GORZ, A., *Métamorphoses du travail. Quête du sens* (changes in work - the search for meaning), Galilée, Paris, 1988.

implemented will therefore help to constitute the groups at which they are aimed. The state determines standards and criteria and so encourages individuals to do what is necessary to be classified as long-term unemployed.

Special measures do not, in themselves, significantly modify the selection processes associated with unemployment. Even within a particular target group, the logic of the placement process results in a creaming-off of the most competitive job-seekers. Targeting therefore needs to focus less on controlling the selectivity inherent in vulnerability to unemployment than on attenuating the combined effect of this form of selectivity and that resulting from the unequal employability of the different categories. Those who are the most vulnerable to unemployment will also be the least suited to employment.

Employment policies, like unemployment, therefore have a classificatory effect (1). In drawing up its policy in the light of principles such as fairness, the state sets out to compensate for the inequalities resulting from job losses. However, inasmuch as state intervention is limited to the management of labour flows in the context of market fluctuations, it in fact tends to accentuate the selection processes already associated with unemployment.

Measures to reduce unemployment create hierarchies among the unemployed which may actually increase distinctions within the labour force. As Erbes-Seguin and Gilain have pointed out, by giving them statutory recognition, the law highlights the distinctions wrought by the workings of the economy (2) between different population groups.

Thus, the very poorly educated long-term unemployed continue to be pushed to the bottom of the pile, this time as a consequence of the very process of getting people back to work. While it is necessary to target measures to ensure that certain people benefit, those who are not included become even more cut off from work by the increasing length of their unemployment. The nature of measures to increase employability is such that, imperceptibly, they assist the stronger and leave the weaker even further behind.

(1) ERBES-SEGUIN, S. and GILAIN, C., "L'Etat et l'emploi" (the state and employment), MICHON, F. and SEGRESTIN, D. (eds), *L'emploi, l'entreprise et la société*, Economica, Paris, 1990, pp 260-273.

(2) Ibid.

CHAPTER V: **LOW LEVELS OF EDUCATION, ILLITERACY AND**
BASIC EDUCATION

So far, the report has examined the link between the shortage of jobs and long-term unemployment, and between the latter and the educational deficiencies of those trapped in unemployment. Each of these notions has to be seen in its context, and the report has looked at the various forms of unemployment in general, and long-term unemployment in particular, in each of the countries considered. The same must now be done for low levels of training and education.

A. A social problem

In unemployment statistics, a "low level of educational attainment" may range from illiteracy (in Spain and Portugal) to those who have completed only nine years compulsory schooling (Sweden). In other words, the definitions of "low level" in the six countries concerned have scarcely anything in common.

In practice, groups such as the "under-educated" or "poorly qualified" began to be identified as specific problem areas only with the emergence of large-scale unemployment in the mid 70s.

In most western European countries, the main structural change since 1973 has been the relative decline in the manufacturing sector, resulting in significant job losses for which the growth in tertiary activities has not fully compensated.

The first groups to be made unemployed were labourers and unskilled and semi-skilled workers. At the same time, their numbers were boosted by young people for whom there were no job opportunities in these areas.

Thus, the notion of a low level of educational attainment relates mainly to those with only a limited amount of schooling. This must naturally be seen in the context of the different countries or regions concerned; nevertheless, the common feature is that a dividing line can be drawn between this group and the rest. Specific policies can then be targeted at the group, in the same way that special provision is made for the disabled, young people, those taking early retirement, women or migrants.

The problem of low educational levels is therefore linked to job shortages and the disappearance of earlier adjustment mechanisms. This problem, far from being perennial, is very much the product of unemployment.

A person is said to have a "low level of attainment" when the number of jobs open to him/her diminishes. People who are too old, women and migrants might also be considered to have such a level. In other words, the identification of particular "levels", and their application to types of unemployment, is related to individuals' specific occupational circumstances.

B. Training, retraining and the market

Once lack of education or training had been identified as an obstacle to finding employment, it was no doubt reasonable to see the provision of training as a response to unemployment. At times of large-scale closures or reconversion (for example, in the steel industry), and also in regions heavily affected by unemployment, a training element has often been added to the other measures taken. Similarly, the public employment services of the different countries, as well as local organisations, have established skill-upgrading programmes for the unemployed with poor educational qualifications.

These measures have been successful to the extent that they have helped to postpone unemployment in the case of reconversion schemes and, in certain instances, to provide the unemployed with additional resources. They have also enabled some to hold their own or to secure recognition, previously denied, of their status as unemployed persons. Finally, the establishment of links among trainees has sometimes led to career changes which were not initially envisaged. Nevertheless, the training solution has not had the impact on the unemployment problem that its proponents had hoped (1).

It is not easy to define and identify gaps in training, and even less to fill them. What criteria should be used? What tasks and jobs should those seeking employment be trained for? Is it possible to identify relevant skills and then seek to attain them through training which precisely fits people for new jobs? In practice, it has been repeatedly demonstrated that there can be a number of different routes to the same job and that, depending on the type of organisation and the supply of labour, similar jobs may require dissimilar skills. Unemployment cannot, therefore, be seen simply in terms of the supply of and demand for particular forms of training.

Structural changes to the working population during the economic crisis had a greater effect on the conditions under which qualified people entered employment. Firstly, growth in the service sector only partially compensated for the fall in industrial employment, and there was a considerable rise in unemployment. In addition, the supply of qualified people increased as a result of the growth in the school-age population. As a result, firms had a much greater choice in recruiting new staff.

Their response was to make increasing use of external flexibility of employment in their recruitment policies. This involves taking every opportunity offered by unemployment to adjust the workforce as far as possible to market conditions: fixed-term contracts, part-time work, temporary work, sub-contracting and so on.

Jobs are increasingly, in the "external market", characterised by a high turnover and unstable conditions of employment. Mobility of employment also means frequent periods of unemployment. At the other end of the scale, considerably fewer people are being recruited to

(1) PAILHAUS, J. and VERGNAUD, G. (eds), *Adultes en Reconversion* (the retraining of adults), La Documentation Française, Paris, 1989.

established jobs (in large firms offering a good salary and career prospects). Poorly qualified employees are excluded from internal job flexibility policies, such as those involving "multi-skilling", introduced by firms.

The difficulty of keeping a job or of finding a new one is a reflection not so much of predetermined training requirements as of competition between employees for jobs. Thus, trends in recruitment practices and the importance placed on formal qualifications result in a double rejection - by the productive system as well as by the education system.

From the employee's point of view, the opportunity to undertake training as part of a reconversion or employment programme follows two successive setbacks: being made redundant and experiencing difficulty in finding a new job, in other words, a downgrading in terms of employment and in relation to other employees competing in the labour market.

The recovery in employment over the last few years has not been sufficient by itself to compensate for this double drop in status. The majority of those made unemployed as a result of the decline in the number of jobs were always likely to experience serious difficulties in finding fresh work. Despite the overall fall in the number out of work, a hard core of unemployment is developing, largely made up of those excluded from training and work.

Thus, to be competitive in the labour market, more and more qualifications are required. The definition of a "low level of educational attainment" varies constantly as a function of the unstable relationship between educational output and the demand for education among the general population. An improvement in schools' performance may be associated with increasing difficulties for those who, according to the circumstances of the time, are deemed poorly educated.

C. Illiteracy

Illiteracy is no easier to define than low standards of education or training. There is widespread agreement on the distinction between total illiteracy and reading and writing difficulties, representing different degrees of failure to master the written language. But can "adequate mastery of the written language" be defined, and does it mean the same in every country?

a. What is illiteracy?

Until fairly recently, illiteracy was considered to be a uniquely third world problem. It was thought that compulsory schooling had eradicated this scourge in the industrialised countries. However, more or less concurrently with the crisis of the mid-1970s, illiteracy was rediscovered in its various forms.

Firstly, it occurs among migrant populations, either because they have imported this deficiency from their country of origin or because their inability to read and write is simply one aspect of their ignorance of the language of the host country. In the latter case, it is not really correct to speak of illiteracy, since the problem relates mainly to the provision made for them by their country of adoption. Then, there is what has been termed a return to illiteracy, in the case of people who, after a period of schooling, have, through lack of use, forgotten nearly

everything they learnt. Next, instrumental illiteracy refers to a small hard core of adults (nomads, the chronically sick, those on the margins of society) who have somehow avoided compulsory schooling and therefore never learnt to read, write or count. Finally, functional illiteracy designates inadequacies in the basic skills (reading, writing and arithmetic), and also sometimes logical reasoning deficiencies and the inability to find one's bearings in time or space or carry out basic operations such as finding one's position on a map or filling in a simple administrative form.

A distinction may therefore be drawn between imported illiteracy among migrants, illiteracy resulting from non-attendance at, or dropping out of, school, illiteracy which occurs when people pass through school without learning anything and illiteracy which reappears after those concerned have left school.

In the industrialised countries, functional illiteracy and the notion of low level of educational attainment have been subsumed by "illiteracy", so that the concept now tends to be defined in terms of basic education. The definition thus tends to evolve and to reflect the stage of development reached by the society concerned. That society's particular style of life will also determine the minimum level of skills which each individual requires to enter employment. It is therefore not an isolated skill but rather a right which must be seen in context and which derives its significance from its capacity to be used (1).

b. How many illiterates are there?

The rediscovery of illiteracy in the industrialised countries was accompanied by quantitative estimates that were usually as fanciful as they were diverse. It could hardly have been otherwise, since it was impossible to produce reliable figures in the absence of a clear definition.

In these circumstances, rather than attempt to compare statistics which are both uncertain and non-comparable, the best approach is that suggested by Baudelot and Establet. In their view, the best estimates are those in which the same errors are repeated from one year to the next because they use a consistent definition (2). On the basis of tests carried out in France on young men called up for national service (which use vague but consistent definitions), they estimate that in 1985 some 8.5% had reading and writing difficulties and 0.8% were totally illiterate. At the end of their investigation, they concluded that there had been a slow but steady decline in illiteracy over time, but that, although fewer than previously, a large number of school leavers still experienced very major difficulties (3).

-
- (1) HUNTER, C. St. J., "Illiteracy: what do definitions tell us?", in Literacy in Industrialised Countries, Gayfer, M. (ed.), International Council for Adult Education, Toronto, 1987.
 - (2) BAUDELLOT, C. and ESTABLET, R., *Le niveau monte* (the level is rising), Seuil, Paris 1989, p. 149.
 - (3) BAUDELLOT, C. and ESTABLET, R., *Le niveau monte* (the level is rising), Seuil, Paris, 1989 p. 150.

It is clear that, despite considerable progress, schools have never succeeded in passing on what is judged to be a minimum level of knowledge to the whole of a generation. Nevertheless, they do teach the great majority of children to read, write and do sums, probably to a greater extent and to a higher standard than before. There remains, however, a core of young people with whom they fail in this task. Because attention has been paid only to qualifications, this other side of the school system - what is termed school failure - has not been the subject of public debate.

The greater awareness of illiteracy has renewed the education debate. Different demands are being placed on schools, which are no longer seen simply as training grounds for the elite.

D. Combating illiteracy

Official governmental recognition of illiteracy very much reflects the range of situations in Europe.

a. Southern Europe

In Southern Europe, particularly in Spain and Portugal, which are discussed in this report, the problem has never been considered resolved. Priority is naturally given to children's education. However, the Ministries of Education in both countries also have significant adult education programmes.

In Spain, literacy activities throughout the country are the responsibility of the Ministry of Education and Science and of the school boards in the various autonomous communities.

Two other ministries also play an important role in this field. The Ministry of Defence runs programmes for recruits and the Ministry of Justice runs programmes in prisons. Non-governmental organisations and adult education associations are also active in the field.

In Portugal, the Directorate General for Adult Education, which is part of the Ministry of Education and Culture, has set up a vast literacy programme. In 1989-90, some 50,000 people were involved in literacy courses in the broadest sense (literacy, primary equivalent and vocationally oriented programmes).

b. Northern Europe

The countries of Northern Europe, which thought that compulsory education had eliminated illiteracy, have now rediscovered the phenomenon. The first to do so was the United Kingdom in 1973, followed by Belgium in 1981 and France in 1984.

Apart from programmes run by Ministries of Defence in most countries for national servicemen, this new awareness resulted in a series of literacy campaigns (1).

In 1973, a government body (ALBSU) was established in England and Wales with a sufficient budget to undertake a vast national campaign, backed up by a BBC television programme broadcast at prime viewing time. Literacy activities now form part of the broader basic education field.

France drew up a national literacy plan (co-ordinated by an interministerial group under the Ministry of Social Security) while, in Belgium, campaigns have been organised by the "Lire et Ecrire" association in the French-speaking area and by "Alfabetisering Vlaanderen" in the Dutch-speaking equivalent. However, in neither country has there been public support or a firm institutional structure.

Finally, in Sweden, the issue is not seen in terms of illiteracy. Nevertheless, a school-based training programme offers courses which are constantly adapted to meet the needs of the poorly educated.

c. Features of the campaigns

An analysis of those attending literacy classes in northern Europe shows that the vast majority (approximately 95%, according to a survey covering Belgium, France, the Netherlands, the Federal Republic of Germany and the United Kingdom) had been to primary school (2). School was therefore very much a part of their pathway to illiteracy. There appear to be two particular features of their educational under-achievement. The first is a sense of rejection, arising from learning difficulties, an unfavourable family environment and a shortage of material resources. The second is absenteeism, leading to dropping out of the education system. In other words, dropping out is the consequence of social factors for which the school has been unable to compensate.

-
- (1) The first out-of-school literacy campaign in an industrialised country was run in the United States by President Roosevelt's Works Projects Administration from 1936 to 1941 - KOZOL, J., *Illiterate America*, Anchor Press/Doubleday, Garden City, New York, 1985.
 - (2) LIRE et ECRIRE, *Les itinéraires d'analphabétisme* (in French only), unpublished report for the EC, Brussels, 1985.

This is why literacy campaigns seek initially to link up with the education system as a whole. If schools begin to face up to the particular problems of those whom the campaigns are designed to help, the first important steps in combating illiteracy will have been taken. Thus, the principal contribution of literacy campaigns is to set education in a different light: schools are not concerned simply with educating elites but have a duty to meet the needs of those who are in fact excluded.

Apart from this fundamental requirement, the campaigns have a number of other features:

- they are devised and carried out at the grass-roots level. They must be supported by a range of social and cultural organisations and receive total commitment;
- they must receive social recognition. The teachers are doing a job and must do it competently in order to achieve such recognition, while the value of the students' efforts must also be acknowledged;
- literacy cannot be treated in isolation. It cannot be restricted simply to enabling people to read and write but must be extended to include skill acquisition and economic, social and cultural activities.

Literacy activities therefore have a significance that always goes beyond their immediate objectives. They raise highly controversial questions about the relationship between the community and its education and training system.

E. Literacy and employment

The relationship between levels of educational attainment and employment is complex. It has been shown that school staying-on rates were lower in Europe's old industrial areas than in less developed regions (1). However, with the crisis, and more specifically the lack of jobs, the former have seen the greatest improvements, leading to a certain equalisation of the rates within each country. When job opportunities exist, firms set out to attract young people, who have the option of leaving school, where they are still dependent, and starting work, where they can earn their living. With the advent of widespread unemployment, the available options are to stay at school, to become unemployed or to move away in the hope of finding work elsewhere. However, the deterioration in the employment situation is accompanied by a similar deterioration in the school system. Young people feel compelled to stay on at school precisely because it no longer leads to a job. Despite the rise in staying-on rates - or possibly because of it - the risk of a much higher drop-out rate is greater.

Most discussion on the relationship between education and employment is based on the principle that constant technological developments require an ever more highly educated workforce.

(1) ALALUF, M. and Van HEERSWYNGHEL, A., op. cit.

However, research into the sociology of work has long suggested that this was an over-simplification. By distinguishing between operations carried out by machines and those done by men, Naville shows clearly that, whereas automated systems lead to the integration of previously separate operations, this is not the case with tasks undertaken by manual workers. In the latter case, changes in the equipment used, by themselves, have no effect on the number of operations effected (1). Greater technological complexity need not, therefore, automatically lead to greater complexity of the associated tasks. If the confusion between the employee and his/her job can be eliminated, it will become possible to distinguish between the formal attributes of a job and the actual work entailed.

Naville's distinction between the job and the actual work involved has been developed by Kenneth Levine, on the basis of research carried out in the Nottingham area of England (2). He notes, firstly, that command of the written language is indeed a major selection criterion used by firms. However, an examination of the work actually associated with the particular jobs concerned showed that the relevant tasks could be performed by people who could neither read nor write. In Levine's view, at the bottom of the job hierarchy, reading and writing often represent no more than one aspect of a small fraction of the work required.

In order to explain this gap between recruitment requirements and the characteristics of the jobs themselves, Levine differentiates "job literacy" and "employment literacy". The former, which involves an ability to write, is linked to specific jobs and is not always needed. The latter signifies the ability to understand the written formalities of employment relationships (payment systems, holiday and sickness arrangements, safety and disciplinary procedures) and is a general requirement of employers.

Levine also notes that, apart from its use in actually carrying out a job, knowledge acquired at school is a useful indicator to employers of job applicants' potential aptitudes in other valued areas such as discipline, regularity, punctuality and logical ability. As a result, an educational qualification becomes more important than the actual level attained.

This supports the present author's own observations of retraining programmes in Belgium, following industrial closures, where requests for training often concerned basic literacy and education. Although no one had suspected the existence of reading, writing and numeracy deficiencies on this scale among the native-born workforce and such gaps in knowledge did not appear to pose any problems when they were still working, they became an almost insurmountable obstacle in the search for fresh employment.

-
- (1) NAVILLE, P., "Réflexions à propos de la division du travail" (Aspects of the division of labour), Cahiers d'étude de la société industrielle et de l'automation, no. 5, 1963, p. 234.
 - (2) LEVINE, K., The Social Context of Illiteracy, Routledge and Kegan, London, 1986.

The conclusion to be drawn is that the ability to read and write is, in many cases, much less necessary than might be thought to carry out a job. However, illiteracy in its various forms is often an insuperable barrier to finding work. At a time of large-scale long-term unemployment, which heavily affects the least well-educated, literacy is important if those concerned are to have a chance in the labour market.

F. Combating exclusion from two directions

In general, and for a variety of reasons, the risk of unemployment appears to fall as the level of educational attainment rises. Although there are exceptions, particularly in the case of Spain, the lowest levels of attainment are matched by the highest rates of unemployment. Even in Sweden, with its very low unemployment rate, it is the least well-educated who appear to be more frequently unemployed.

As economies have recovered in recent years, the fall in unemployment rates has not been accompanied by a corresponding decline in long-term unemployment. The smaller numbers becoming unemployed and the modest numbers finding work and so ceasing to be unemployed have gone hand in hand with a higher incidence of long-term unemployment.

The clearest differences in experience of unemployment, in terms of both duration and ability to find employment, are between the least well-educated members of the workforce and the rest.

The conclusion to be drawn is that training will have its greatest impact on unemployment when it is focused on the most poorly educated. Since it is also known that educational levels are lower among older age groups than among the young, adult education is particularly important in combating long-term unemployment.

Our study of the steps taken by the different countries to deal with long-term unemployment has revealed that, even when they are targeted on the most disadvantaged groups, the various training programmes still tend to help the stronger and to fail to meet all their initial objectives. On the other hand, although the various literacy activities are not specifically aimed at the unemployed, in practice a significant proportion of their students does fall into this category.

The effects of the current recovery are not automatically reaching those who have experienced lasting exclusion from school and then work. To reintegrate such "hard core" groups, action will be required at two levels. Firstly, there must be measures to assist the long-term unemployed, coupled with adequate social welfare provision. At the same time, a broader range of literacy activities is needed, and these must also face up to the shortcomings of the education system, the drop-out rate, educational under-achievement and the opening up of schools to those who were previously excluded. Since exclusion starts with school and is then perpetuated by unemployment, it has to be attacked from both ends.

CHAPTER VI: TYPES OF ECONOMIC ACTIVITY

A. Employment and unemployment

The principle governing the wage relationship, which is the basis of the contract of employment, is the conditional nature of the employee's participation in the firm. The concept of unemployment is unique to the wage system because under it employment fluctuations are controlled outside the firm, that is by recruiting or dismissing staff, rather than, for example, by reorganising the workload internally, as is the case within family work units. As a result, employees' participation in a firm, is limited by the conditions of employment in other words by their vulnerability to unemployment.

When, during periods of full employment, researchers drew attention to the selective nature of unemployment, that is to sociological differences between employed and unemployed populations (age, sex, training, aptitudes, sector, region etc), it was sufficient to distinguish an economic analysis of the market from its social effects in terms of, for example, the vulnerability of the unemployed, actual experience of unemployment and the forms taken by it. The crisis has, however, shown that those most vulnerable to redundancy are also those who experience the greatest subsequent difficulty in finding work and that long-term unemployment has become a permanent feature of whole segments of the population. The market has become less a selective mechanism which promotes mobility (what was termed "frictional unemployment") than a method of rationing scarce jobs which gives rise to exclusion from work.

Once it becomes a question not simply of unemployment linked to occupational mobility but of prolonged unemployment, then escape involves a complete change of status to one of a number of specific occupational situations. These include intermediate situations between employment and unemployment (jobs specially created to reduce unemployment), between employment and self-employment (self-employed and casual workers in industry and the building sector and workers newly setting up on their own account), and between wage-earning and domestic activities (the voluntary sector, help in the home, domestic service and so on).

These occupational situations have multiplied precisely because other jobs are unavailable; they are thus seen as subordinate or second class forms of work. They represent defensive reactions - alternative solutions to the lack of jobs. They result from government action or from a falling back on the family or local community. Thus, activities in an existing non-market domestic context, such as the family unit or community-based networks, may offer access to the market sector. Families and local communities offer not only a refuge for those weakened by long-term unemployment but also a basis for re-entering the market through informal activities which develop in any underground, or "black", economy.

It is casual work and the informal economy, often on the boundaries of legality, which offer the poorly educated long-term unemployed their best chance of escaping from unemployment. In southern Europe in particular, informal networks offer most scope for mobility, which will, as the economy revives, help to reduce unemployment among those with

little education. While the informal economy also has a place in northern Europe (1), a high proportion of non-standard forms of employment occur in public job-creation programmes and these also offer groups who are trapped in unemployment opportunities for mobility.

The fragmentation of employment and unemployment into a number of intermediate statuses with no clear boundaries also calls for a redefinition of such classifications as work, economic activity, unemployment and training, all of which affect population groups in different ways, according to age, sex and educational level.

The path of an individual's working life is basically determined by the circumstances of the labour market at any given moment. The allocation of labour, in other words the matching of jobs to individuals, is governed by the wage differentials on offer. The relationship between the employee and his/her job can therefore be expressed in terms of the wage he/she is paid.

As the mechanism which regulates this wage allocation process, unemployment contributes to the extension of unstable forms of employment by encouraging the creation of non-standard jobs in the public sector and by establishing the conditions for a large informal sector.

It is therefore incorrect to see employment as a stable condition which only becomes unstable when it is temporarily disturbed by unemployment. In reality, instability is built in, since any wage earner may lose his/her job through dismissal, rationalisation or closure. The risk of losing one's job is determined by the incidence of unemployment. This applies generally, though in practice there will be differing levels of stability, instability and unemployment, depending on the particular economic circumstances and the vulnerability of the jobs concerned.

This relationship to employment can be described very simply. Applicants for jobs support their applications by indicating any qualifications or previous work experience which might demonstrate their suitability. Although this information is helpful for the employer, he/she will try to minimise its importance, for example by arguing that the qualifications signify knowledge which is too theoretical or that the previous experience is somewhat irrelevant to the content of the job concerned.

Just as an applicant will try to stress the relevance of his/her own background and experience for the post, so the employer will emphasise the nature of the job as he/she himself/herself has defined it. A rejected applicant will complain that his/her qualifications and previous experience have been undervalued while the employer will consider that the applicant overrated his/her suitability for the job.

Employment thus represents both a job entailing specific tasks and an individual's occupation, which is related to his/her training, experience, status and expectations. Yet what expectations can an unqualified job seeker really have, and what experience has he/she to offer after a prolonged period of unemployment?

(1) PESTIAU, P., *L'économie souterraine* (the underground economy), Hachette, Paris, 1989.

In such circumstances, the only prospects for the poorly educated long-term unemployed are the peripheral or secondary sectors of the labour market, whose main characteristics are job insecurity, bad working conditions and low pay. They have almost no hope, even after a long wait, of gaining access to the primary sectors of the market, which offer the prospects of internal career progression and protection from the constant competition between job seekers.

B. The social management of unemployment

During an economic crisis, the level of unemployment and the forms it takes are linked to changes in the employment structure and the reduced number of jobs. The management of unemployment then becomes an important aspect of government policy and involves creating different types of work. Measures to bring down unemployment may therefore be distinguished according to whether their objective is integration in the primary or in the secondary labour markets, the former with its core of "permanent" employees, the latter with its high level of mobility.

However, the main instruments, particularly for combating long-term unemployment, are fixed-duration placements or the creation of temporary jobs in the secondary market. As a result, access to employment is possible only via fixed-term, part-time or temporary jobs or those with unsociable hours.

Thus, while it offers job opportunities to certain groups of unemployed who would otherwise be excluded from the labour market, state intervention also serves - though not necessarily intentionally - to reinforce differences within the market in order to reduce unemployment somewhat.

It can therefore be argued that while government action can help to shift the boundary between employment and unemployment, it can only achieve this by strengthening and extending the hierarchical nature of employment, without in any way changing the selective effect of unemployment.

This form of social management of unemployment is consistent with firms' search for external flexibility. The competition between job seekers on the secondary market offers employers the opportunity to take on staff to carry out available work and then lay them off if circumstances deteriorate.

Thus, the growing number of exceptions to the general rule that employment contracts are of indefinite duration and their replacement by a range of specific forms of employment (with fixed-term contracts predominating in Spain and Portugal and part-time work in Belgium and the United Kingdom) form part of a trend which has accompanied the rise in unemployment. Access to employment is now linked to firms' demand for external flexibility and the price paid is often a lower-status job. For those who have been unemployed for a long time and have no qualifications to increase their marketability, the only alternative, other than casual or unstable work and the informal economy, is to leave the workforce completely.

Georges Friedmann noted some time ago that the extraordinary importance of the role of work in individuals' lives could be confirmed empirically by observing the behaviour of those who had been deprived of it (1). A study of unemployment is therefore nothing more than a study of employment. It is unemployment which most clearly highlights, as if by default, the remunerative aspect of employment and also the status and role - social as well as occupational - which it confers. Work may be considered to be hard, tiresome, monotonous or soul-destroying but the jobs associated with it are still sought after, and their loss or reduced security of employment a cause for great concern.

More training does not generate new jobs, although a lack of training increases vulnerability to unemployment and reduces employability. Thus, from the point of view of managing unemployment, the function of training is to strengthen the position of the most disadvantaged job seekers in the labour market by at least slightly offsetting the selective effects of unemployment.

C. The dual nature of employment and its limits

The forms taken by employment and the labour market changed radically with the slowdown in growth of the mid 1970s. In the post-war period and particularly in the 1960s, under the combined influence of economic concentration and the development of large firms, the decline of the craft and small business sectors and the increased number of wage earners, stable employment became the norm, albeit with variations according to country. The economic crisis, in contrast, created a requirement for manpower flexibility and adaptability, leading to an increase in unstable and non-standard forms of employment (fixed-term, part-time, temporary, own-account and so on). The widespread replacement of standard full-time contracts of indefinite duration by jobs which dispensed with this form of protection signified that stable, salaried employment had ceased to be the norm.

The result is an increasingly dualistic conception of the labour market, with one section characterised by a high level of occupational stability (still, despite increased lack of security, the majority of employment) and the other by high labour mobility, which enables economic adjustments to operate principally through external flexibility: temporary contracts, sub-contracting and so on.

However, there are important objections to this dualistic conception of the labour market which may be illustrated with reference to the countries studied.

(1) FRIEDMANN, G., *Le travail en miettes*, Gallimard, Paris, 1956, p. 218.

The first objection relates to the very notion of a polarisation between stable and unstable forms of employment (1). The extreme diversity of work patterns - well illustrated by the case of Spain, but other countries also furnish examples - makes it difficult to effect a simple division into two categories.

Moreover, instability is not confined to the so-called secondary market; the primary labour market is also affected. For instance, one-third of the United Kingdom workforce consists of independent, part-time or temporary workers. However, the security of other employees is threatened by this situation, so attempts are made in collective bargaining to limit the use of such labour in order to protect the position of "standard" wage earners (2). This has been a constant preoccupation in recent negotiations in a number of the countries considered, particularly Spain and France.

The second type of objection derives from research into the effectiveness of external flexibility. The current emphasis placed by business management on issues such as greater employee responsibility, active participation in the firm and integration into work teams and the need to develop occupational skills and a genuine enterprise culture is hardly compatible with an unstable workforce. More and more stress is therefore being placed on strategies to hold on to existing staff and on flexible working arrangements.

Finally, the third type of objection is based on the apparent failure of the new, unstable forms of employment to counter long-term unemployment, and even less the increasing incidence of exclusion which results from it.

Dualistic analyses of the labour market serve less to describe the working of that market than to highlight the ways in which, in various countries, jobs are becoming less secure and firms are using a range of options to achieve flexibility.

In practice, the rise in insecure forms of employment reflects increasingly systematic resort to external flexibility, the consequence of which is that unemployment becomes more and more selective and that the long-term unemployed, who have been excluded from normal job opportunities, are permanently relegated to the sidelines. Elsewhere, however, eg in Sweden, the emphasis has been on greater internal flexibility, in terms of both skills and hours worked. In such cases, individuals adapt within the workforce rather than after being made redundant, and those threatened with unemployment are retrained while still in employment. As a result, young people who have recently left school are considered to be the best capable of achieving the occupational mobility imposed by market adjustments, while older workers continue to be protected.

-
- (1) The concepts are in themselves ambiguous. Thus, stability might refer to the number of employees in relation to variations in economic circumstances, the degree of employee protection (legislative or trade union) or the characteristics of the labour force (young people, women, migrants etc).
 - (2) DAVIES, P. and FREEDLAND, M., "Les nouvelles formes d'emploi en Grande-Bretagne" (new forms of employment in Great-Britain), Travail et Emploi, no 39, 1989, pp 32-41.

D. The changing faces of employment and unemployment

What happens to individuals is not sufficient, by itself, to explain the structure of the labour market, but has to be related to the opportunities opened up by economic activity. Unemployment can then be viewed in terms of a specific relationship to work.

Not that unemployment can be equated with not working: it may coexist with domestic or voluntary work, or for that matter illegal or undeclared activities, but the lack of a job means that it is still unemployment. Nor will unemployment disappear simply because the unemployed see their situation in different terms (1), since although people may perceive their situation as unemployment rather than anything else, for them to "construct a reality" their perception must relate specifically to work, namely to their loss or lack of a job.

This definition of unemployment results from the interaction of two factors, the first being the equation between the skills of job seekers and the jobs on offer, which reflect the labour policies of individual firms, and the second the whole range of provision made by social security, placement and training institutions and bodies, mainly as part of government policies.

The modern concept of unemployment first emerged in the depression of the 1930s. With the crisis of the 1970s, employment policy once again took the form of policies to control unemployment. Job-creation measures have resulted in new types of employment and employment status. Another feature of the economic crisis is that employment mobility and immobility have diversified the forms taken by unemployment. This diversity is reflected in the heterogeneity of the groups affected and the difficulties experienced by young people seeking their first job. However, it is long-term unemployment which has gradually become one of the principal forms of unemployment.

Although the recent recovery in employment has had a beneficial effect on unemployment in general, it has highlighted the significance of prolonged unemployment as a major barrier to employment. Frictional unemployment is thus assuming, under the impact of long-term unemployment, a permanent status signifying exclusion from the labour market.

Given the scale and scope of the problem, the continuing concern over unemployment is fully justified. In depriving people of work, unemployment brings into play various forms of social exclusion and undermines the daily routines of its victims. The result is that the unemployed lack the control over their lives which is a precondition for finding employment.

(1) An example of this approach is Alain Minc's statement that: "...unemployment will not fall. There will be less unemployment, not because there will not be any more unemployed but because they will no longer live their lives as such" ("...ils ne se vivront plus comme tels"), in "La fin du plein emploi: accident ou fatalité?" (the end of full employment: accident or fate), *Le Débat*, no. 2, June 1980, p. 3.

Just as unemployment restricted the trade unions' bargaining position, so its persistence despite economic recovery still affects their behaviour. All the fundamental aspects of trade unionism have been affected: its effectiveness, in other words its ability to achieve its demands; the sense of solidarity which enables it to mobilise all its forces; the legitimacy which derives from its representativeness.

As far as firms' labour policies are concerned, unemployment represents an ideal outside market, enabling strategic choices to be made between external flexibility and the formulation of specific internal personnel management policies. Firms become market operators.

The workings of the market may therefore be explained in terms of the interaction between the strategies of the various participants. The different forms of employment and unemployment are seen as the products of social compromises and as the resultant of trade union, employer and government policies. Changes in the structure of employment are thus determined by the strategies of the different groups concerned, who constitute a "concrete action system".

This study has set out to show that employment and unemployment trends also serve to define and change the position and role of those concerned. The flexibility strategies operated by firms, the erosion of trade unions' negotiating strength and the role of government in classifying groups according to their vulnerability to unemployment all result from and are explicable in terms of market conditions and the conditions of competition and trends in employment and unemployment.

The conclusion to be drawn is that unemployment, particularly long-term unemployment, is not the consequence of low educational attainment. It is in fact the spread of unemployment and the persistence of long-term unemployment which result in certain levels of educational attainment being deemed inadequate and hence an obstacle to finding employment.

Each country's particular employment circumstances and institutions and specific social conditions will thus influence the policies which it introduces, the way it defines unemployment and the strategies of the different actors concerned.

Neither the classification of economic activities and the consequent categorisation of social groups according to their employability or vulnerability to unemployment nor the social divisions which underlie the exclusion process are understandable solely in the light of the measures taken to provide benefits or stimulate employment or of the decisions of actors in the labour market. However, these factors do offer the basis for an explanation. It is to this that we shall now turn.

CHAPTER VII: SOCIETY AT THE CROSSROADS: THE CHOICES

A. National peculiarities and the internationalisation of economic activities

The diversification of types of employment has gone hand in hand with a growth in unemployment and in the social groups affected, for whom its intensity and impact vary. The main issue constantly before us is therefore how to control the most acute forms of unemployment, ie those which deny work to those least able to defend themselves because their low educational attainment keeps them unemployed for a long time and so makes their chances of finding a job remote.

The increase in the numbers unemployed and in the duration of unemployment forms part of a general trend which began with the economic crisis in the mid-1970s. Despite a slight fall in unemployment, albeit at varying rates in the different countries, in the second half of the 1980s, long-term unemployment has proved more intractable and in relative terms has even increased. As a result, notwithstanding the favourable prospects for employment, the process of exclusion from training and work initiated by the crisis is now a permanent feature and has become a critical problem.

Although all the countries considered have been affected by these general trends, it is not sufficient to treat them as being all alike or to see their specific circumstances simply as variations from the norm.

In practice, the situations in countries such as Spain, where the unemployment rate exceeds 20%, and Sweden, where it is below 2%, cannot be analysed in the same fashion. This also applies to the different countries' employment policies. While the methods used by each to reduce unemployment are essentially similar, their scope varies considerably in accordance with their specific national contexts and the broader policies of which they form part.

A comparative analysis of a number of different countries is difficult not just because of the uncertainties arising from the use of statistics from a range of sources. The main problem is that there is no clearly defined methodology which would guarantee reliable results because there are really two processes involved.

The first is to consider the internationalisation of economic activities and the increasing extent to which production is carried out on a multinational basis in economic zones which span a number of countries. At the same time, however, an attempt must be made to understand specifically national features which have not only retained their vigour but also sharpened the differences between countries as regards policies for overcoming the crisis.

In drawing this distinction, care must be taken not to oversimplify the components of each part. For instance, internationalisation is not restricted to the economic sphere and specifically national features are not restricted to the social (industrial relations, for example) or cultural spheres. Greater homogeneity may just as easily be found in value systems and life styles (increasing individualism, for example), while government economic policies may vary considerably.

Old employment systems have emerged from the crisis severely shaken. However, the resulting employment and unemployment patterns and exclusion processes in particular owe their diversity both to the major trends which affect all countries and to features unique to each one.

B. The range of existing policies

It is not enough to take relatively promising situations and hold up the policies associated with them as examples to be followed by others whose attempts to deal with the problem have not had the same success. In practice, as has been seen, the factors underlying long-term unemployment and its associated exclusion process are manifold and cannot be understood in isolation. It is nevertheless important to diagnose differences in circumstances and to identify policies, if only to bring out the room for manoeuvre which always exists, despite the constraints which each country faces.

It should be noted first that, of all the countries considered, only Sweden enjoys low rates of unemployment and long-term unemployment. This fact conceals a more general trend: in Western Europe, unemployment rates have risen more in the EC than in non-member countries (1). Clearly, there is not necessarily a causal relationship between EC membership and the level of unemployment. Nevertheless, as Jacques Freyssinet has pointed out, there is equally no reason why the establishment of a large Community market need, in the medium term, have only positive effects on the labour market.

Be that as it may, given the increasing interdependence of world economies, it has to be assumed that social, cultural, institutional and political factors at least partly explain the significant variations in national unemployment rates. It is therefore necessary to look at each country's employment policy in a little more detail.

(1) See FREYSSINET, J., "L'impact sur l'emploi de l'achèvement du marché intérieur" (the impact on employment of the completion of the internal market), Revue de l'IRES, No. 2, pp. 5-21.

Sweden, Switzerland, Norway, Finland and Austria all have fairly low rates of unemployment, whereas the countries with high rates are Spain, Ireland, Italy, Belgium, France, the Netherlands, Denmark, the United Kingdom, Greece, the Federal Republic of Germany and Portugal. The two exceptions to this rule are Luxembourg, which has a very low unemployment rate compared with the other EEC countries, and Turkey, which is not a Community member and has a high rate.

Chapter II has already examined the range of measures introduced in each country and the main features of their policy contexts. With regard to policies and programmes to combat long-term unemployment, two principal, and clearly contrasting, models may be identified. The first is the "liberal" employment approach adopted by the United Kingdom, which entails promoting external flexibility by deregulating social welfare protection and industrial relations and weakening employment legislation. At the other extreme is Sweden, where the social-democratic government has established a broad-ranging legislative framework and an industrial relations system within which the whole labour market operates and uses internal employment flexibility as an instrument of industrial reconversion. The other countries considered, each of which has its own specific policy responses, fall somewhere between these two extremes.

The main features of the liberal approach in the United Kingdom are a high level of unemployment, a very high proportion of self-employed, temporary or part-time employees and a lack of labour legislation which, given the current weakness of the trade unions, is not offset by the industrial relations structure. As a result despite the long-standing tradition of literacy campaigns, little is being done in the fields of vocational training and retraining. There is almost no impediment to establishing very flexible recruitment policies, even though firms have been reluctant to make use themselves of all the available opportunities. Although employment has risen steadily since 1986 and unemployment has fallen, long-term unemployment is still fairly high; moreover, the search for short-term flexibility appears to have made long-term economic modernisation of secondary importance and to have promoted inequality in regard to employment (1).

At the other extreme, social-democratic government has given Sweden a highly centralised industrial relations system, statutory employment protection and a broad-ranging social security structure which makes it a prototype for the welfare state. Although there, unemployment rose in the mid 1970s and early 1980s, it was contained at around 2%. Although, in comparison with the other countries, this rate of unemployment is almost derisory, an impressive array of employment measures has been introduced. Recruitment premiums and short-term job creation are accompanied by training programmes which extend well beyond those who are actually unemployed. Sweden also has a high proportion of part-time employment, the majority of it being for women. Its social welfare measures have gone hand in hand with the rapid closure of declining industries, new investment in high technology sectors and a major effort in the education and vocational training fields. The combined effect has been to maintain full employment. This example of modernisation based on consultation and negotiation "suggests that in the absence of short-term numerical flexibility, firms may be forced to put more emphasis on personnel planning and training" (2).

(1) This, at least, is the conclusion of a recent OECD report, *Labour market flexibility. Trends in enterprises*, Paris, 1989.

(2) OECD, *op. cit.*, p. 20.

C. Composite solutions

How are balances currently being struck in a context of less centralised social compromises and of a recovery in employment?

So far, the fall in employment has not been sufficient to bring down long-term unemployment or to check the associated exclusion processes. With the establishment of unemployment as a permanent feature of our societies, the man working full-time for a single employer in a single place has ceased to be the typical employee. The major issues remain how to bring down long-term unemployment, incorporate young people and women into the world of work and re-establish more equal employment relationships as different types of employment proliferate.

The sustained fall in unemployment has certainly created favourable conditions for meeting these challenges, even though a slowing down, or even reversal, of this trend is a possibility.

Although, in the final analysis, a composite range of solutions will be chosen, from the point of view of fairness, the fate of those who are excluded from employment, as from education and training, should continue to be the decisive test on which the relevant policies are judged.

CONCLUSION: WHAT SHOULD BE DONE WITH THOSE WHO ARE "SURPLUS TO REQUIREMENTS"?

The issue of what to do with those who are surplus to requirements has frequently been raised in industrial restructuring operations.

So far, with the exception of Sweden, all the countries studied have provided the same answer, though in varying forms. With the crisis, those concerned were first made unemployed, then became the long-term unemployed and finally became dependent on welfare. The recent recovery in employment has barely touched the roots of this problem. Unlike those recently made unemployed, they have been stigmatised by their prolonged period without work. They are ensnared and fall outside the scope of the employment mobility facilitated by the large-scale development of fixed-term and part-time work. Those who are "surplus to requirements", for whom neither the educational system nor the world of work has anything to offer, are thus firmly caught in the unemployment trap and placed outside the normal boundaries of society.

Fortunately, it is not the fate of every unemployed person to become superfluous. Every country has taken action, not only in the general context of employment policy but also specifically for the long-term unemployed and as part of literacy campaigns. Nevertheless, competition and the workings of the market inevitably result in the least able being not only penalised but also excluded from the labour market.

It has become a commonplace to state that no single measure is enough by itself to wipe out unemployment and that what really counts is the way they all interlink and the types of policy to which they contribute. In this regard, a contrast may be drawn between employment policies designed to promote external flexibility, with reduced unemployment achieved at the cost of an increase in unstable forms of employment, and those which focus on internal flexibility through the development of multiple skills and hence necessitate a major training input.

As far as the unemployed are concerned, there are two criteria for assessing the measures: the replacement income they generate and the help available in finding work. The value of training activities depends on the extent to which they enable job seekers to hold their own on the labour market.

From this point of view, there is an urgent need to develop adult education provision alongside the school system and to reject certain received ideas. Thus, in strict economic terms, much emphasis has been placed on the high cost of adult education, which not only requires new, and probably expensive, teaching methods but also takes adults away from productive activities in their place of work.

Yet it has to be recognised that, despite a general rise in educational standards and a reduction in illiteracy, schools have never anywhere succeeded in imparting to an entire generation the minimum level of knowledge required by their society. It is precisely because educational levels rise that those who have in some way missed out find themselves excluded. In other words, adult education is now a number one priority because of the progress in education in general.

In any case, the current definition of social marginalisation in terms of exclusion from both school and work means that education must not be seen purely from an elitist perspective. It is the very successes achieved by education which make under-achievement and dropping-out such central issues.

Baudelot and Establet pose the question: "What is the minimum stock of knowledge and skills that the weakest pupil leaving the poorest school should possess? (1). It is this basic level of education that the adult education system must set out to provide.

This minimum level will naturally vary from country to country and may be defined in terms of what is required at the end of compulsory schooling. In a sense, it involves extending to general education, as was originally envisaged, the principle of a threshold level, which the Council of Europe developed initially for modern languages.

With regard to employment, the issue is simply the right to earn a living. This naturally implies a replacement income for those deprived of work, but also the possibility of finding jobs: not just "artificial" ones with no social or economic justification, but recognised, "proper" ones.

Thus, persistent unemployment which makes workers surplus to requirements may also be the occasion of a simultaneous transformation of jobs and training. These jobs may be deemed "normal" provided they enable all concerned to achieve a basic level of education which enables them to remain economically active.

(1) BAUDELOT, C., and ESTABLET, R., *op. cit.*, p. 115.

BIBLIOGRAPHY

ALALUF, M.; VANHEERSWYNGHEL, A.;
"Local Employment, Training Structures and New Technologies in Traditional Industrial Regions.
European Comparisons", AYDALOT, Ph., and KEEBLE, D. (Eds.), High Technology Industry
and Innovative Environments, Routledge, London, 1988.

ANGLADE, J.M.; BOUREAU, B.; REDEGELD, T.; VOS VAN STEENWIJK, A. (de);
L'alphabétisation en Europe: une communauté avant la lettre,
Document C.C.E., Luxembourg, 1984.

BAUDELLOT, C.L; et ESTABLET, R.;
Le niveau monte, Le Seuil, Paris, 1989.

CASAS BAAMONDE, M.E.; et VALDES DAL RE, F.;
"Les nouvelles formes d'emploi dans le droit du travail espagnol",
Travail et Emploi, no. 39, 1989, pp. 17-24.

COMMISSION DES COMMUNAUTES EUROPEENNES,
L'emploi en Europe, Luxembourg, 1989.

CONSEIL DE L'EUROPE,
Education des adultes, emploi et groupes défavorisés, Strasbourg, 1979.

DAVIES, P.; et FREEDLAND, M.;
"Les nouvelles formes d'emploi en Grande-Bretagne",
Travail et Emploi, no. 39, 1989, pp. 32 à 41.

ERBES-SEGUIN, S.; et GILAIN, C.;
"L'Etat, un acteur de la construction sociale du marché de l'emploi",
MICHON, F.; et SEGRESTIN, D.; (Eds.),
Economie-Sociologie: débats sur l'emploi, MIRE, Paris, 1990

ESPERANDIEU, V.; LION, A.; BENICHOU, J.P.;
Des illettrés en France, La Documentation Française, Paris, 1984.

EUROPEAN CENTRE FOR WORK AND SOCIETY,
Growing up without work, Vangorcum-Assen, The Netherlands, 1983.

EUROSTAT,
Employment and Unemployment, Luxembourg, 1989.

FONDATION ROI BAUDOUIN,
Adéquation enseignement-marché de l'emploi, Bruxelles, 1988.

FOUDI, R.;

"A propos du chômage. Formes d'exclusion et modes de réinsertion des chômeurs de longue durée", MICHON, F.; et SEGRESTIN, D.; (Eds.); Economie-Sociologie: débats sur l'emploi, MIRE, Paris, 1990.

FREYSSINET, J.,

"L'impact sur l'emploi de l'achèvement du marché intérieur", Revue de l'IRES, no. 2, 1990, pp. 5-21.

FRIEDMANN, G.,

Le travail en miettes, Gallimard, Paris, 1956.

FRIOT, B.,

"A propos du salaire et de la salarisation des emplois, ou comment la protection sociale alloue la main-d'oeuvre salariée", MICHON, F.; et SEGRESTIN, D.; (Eds.), Economie-Sociologie: débats sur l'emploi, MIRE, Paris, 1990.

GAYFR, M., (éd.),

Literacy in industrialised countries, International Council for Adult Education, Toronto, 1987.

GORZ, A.,

Métamorphoses du travail. Quête du sens, Galilée, Paris, 1988.

"L'Illettrisme dans les pays industrialisés: situations et actions", Perspectives, UNESCO, 1987.

"Illettrisme et exclusion sociale", Pour, no. 120, 1989.

JONES, H.A.; CHARLEY, A.H.;

Adult Literacy: a study of its impact, National Institute of Adult Education, Leicester, 1978.

JONZON, B. et WISE, L.R.;

"Politiques pour l'emploi des jeunes", Actualités Suédoises, no. 371, 1990.

JONZON, B.; et WISE, L.R.;

"Donner du travail aux jeunes: une évaluation de la politique suédoise de l'emploi pour les jeunes", Revue Internationale du Travail, no. 3, 1989, pp. 373-393.

KOZOL, J.,

Illiterate America, Anchor Press, New York, 1985.

LEDROUT, R.,

Sociologie du chômage, PUF, Paris, 1966.

LEVINE, K.,

The Social Context of Illiteracy, Routledge and Kegan, London, 1986.

LIRE ET ECRIRE,

Les itinéraires d'analphabétisme, Rapport de recherche, Bruxelles, 1985.

LISEIN-NORMAN, M.,

"Politique de l'emploi en Suède", Critique Régionale - Cahiers de Sociologie et d'Economie Régionales, no. 8, 1982, pp. 66-100.

MAPLES, Ch. A.,

The Long-term Unemployed and Illiteracy, Council of Europe, Strasbourg, 1988
(Ref. DECS/EES (88) 8).

MENDES, A.; SANTOS LISBOA;

Alguns Aspectos da evolução do desemprego de longa duração, Instituto do emprego e formação profissional, Lisboa, 1988.

MERLE, V.,

"Les nouvelles formes d'emploi en France", Travail et Emploi, no. 39, 1989, pp. 25-31.

MERRIT, G.,

"Etudes 1981-83", Europe Sociale, Supplément, 1985.

MINC, A.,

"La fin du plein emploi: accident ou fatalité?", Le Débat, no. 2, 1980.

MINISTERIO DE TRABAJO Y SEGURIDAD SOCIAL,

El plan nacional de formación e inserción profesional (Plan FIP), Madrid, 1989.

MINISTERIO DE TRABAJO Y SEGURIDAD SOCIAL,

Mercado de trabajo en España durante 1987, Madrid, 1989.

MINISTERIO DA EDUCACAO E CULTURA,

Análise do Analfabetismo segundo os Grupos Socio-Economicos em 1981 Relação com alguns indicadores Sociais, Lisboa, 1986.

NAVILLE, P.,

"Réflexions à propos de la division du travail", Cahiers d'étude de la société industrielle et de l'automation, no. 5, 1963.

NEAL, A.C.,

"L'évolution des formes d'emploi: le cas suédois", Travail et Emploi, no. 39, 1989.

O.E.C.D.,

Perspectives de l'emploi, Paris, 1989.

O.E.C.D.,

La flexibilité du marché du travail. Nouvelles tendances dans l'entreprise, Paris, 1989.

O.E.C.D.,

Mesures d'aide aux chômeurs de longue durée, Paris, 1988.

- 12 -

PAILHAUS, J.; et VERGNAUD, G.; (Eds.),
Adultes en reconversion, La Documentation Française, Paris, 1989.

PESTIAU, P.,
L'économie souterraine, Hachette, Paris, 1989.

RAJAN, A.; et WALSH, K.;
"Mesures de lutte contre le chômage de longue durée dans la Communauté Européenne depuis la résolution du Conseil de 1984", Europe Sociale, Supplément, no. 5, 1989.

ROSE, J.,
En quête d'emploi, Economica, Paris, 1984.

SALAI, R.,
"Le chômage, un phénomène de file d'attente", Economie et Statistique, no. 123, juillet 1980.

SALAI, R.; BAVEREZ, N.; REYNAUD, B.;
L'invention du chômage, PUF, PARIS, 1986.

SEXTON, J.J.,
"Le chômage de longue durée, Eurostat, Office Statistique des Communautés Européennes, Luxembourg, 1988.

SINFELD, A.,
Les travailleurs depuis longtemps au chômage, O.E.C.D., Paris, 1968.

VINCENS, J.,
"Politiques d'emploi et rationnement du travail", MARUANI, M.; et REYNAU, E., (Eds.),
France-Allemagne: débats sur l'emploi, Syros, Paris, 1987, pp. 305-318.

Sales agents for publications of the Council of Europe
Agents de vente des publications du Conseil de l'Europe

AUSTRALIA / AUSTRALIE

Hunter Publications, 58A, Gipps Street
AUS-3066 COLLINGWOOD, Victoria

AUSTRIA / AUTRICHE

Gerold und Co., Graben 31
A-1011 VIENNA 1

BELGIUM / BELGIQUE

La Librairie européenne SA
244, rue de la Loi, B-1040 BRUSSELS

CANADA

Renouf Publishing Company Limited
1294 Algoma Road
CDN-OTTAWA ONT K1B 3W8

CYPRUS / CHYPRE

MAM
The House of the Cyprus Book
PO Box 1722, CY-NICOSIA

DENMARK / DANEMARK

Munksgaard
Book and Subscription Service
PO Box 2148
DK-1016 COPENHAGEN K

FINLAND / FINLANDE

Akateeminen Kirjakauppa
Keskuskatu 1, PO Box 218
SF-00381 HELSINKI

GERMANY / ALLEMAGNE

Verlag Dr. Hans Heger
Herderstraße 56
Postfach 20 13 63, D-5300 BONN

GREECE / GRÈCE

Librairie Kauffmann
Mavrokordatou 9, GR-ATHENS 106 78

ICELAND / ISLANDE

Bókabúð Máls og menningar
Laugavegi 18, IS-REYKJAVÍK 101

IRELAND / IRLANDE

Government Stationery Office
Office of Public Works
Government Supplies Agency
4-5 Harcourt Road, IRL-DUBLIN 2

ITALY / ITALIE

Libreria Commissionaria Sansoni
Via Duca di Calabria, 1/1
Casella Postale 552, I-50125 FLORENCE

LUXEMBOURG

Librairie Bourbon
(Imprimerie Saint-Paul)
11, rue Bourbon
L-1249 LUXEMBOURG

MALAYSIA / MALAISIE

Library Building
University of Malaya
PO Box 1127, Jalan Pantai Baru
59700 KUALA LUMPUR

NETHERLANDS / PAYS-BAS

InOr-publikaties, PO Box 202
NL-7480 AE HAAKSBERGEN

SDU Uitgeverij Plantijnstraat
Herengracht 22, PO Box 162
NL-3601 AM MAARSSEN

NEW ZEALAND / NOUVELLE-ZÉLANDE

GP Publications Ltd
33 The Esplanade
PO Box 33-900, Petone
NZ-WELLINGTON

NORWAY / NORVÈGE

Akademika, A/S Universitetsbokhandel
PO Box 84, Blindern
N-0314 OSLO

PAKISTAN

Tayyab MS Commercial Services
PO Box 16006
A-2/3, Usman Ghani Road
Manzoor Colony, PAK-KARACHI-44

PORTUGAL

Livraria Portugal, Rua do Carmo, 70
P-1200 LISBON

SPAIN / ESPAGNE

Mundi-Prensa Libros SA
Castelló 37, E-28001 MADRID

Librería Internacional Aedos
Consejo de Ciento, 391
E-08008 BARCELONA

Llibreria de la Generalitat
Rambla dels Estudis, 118
E-08002 BARCELONA

Llibreria de la Generalitat de Catalunya
Gran Via Jaume I, 38, E-17001 GIRONA

SWEDEN / SUÈDE

Aktiebolaget CE Fritzes
Regeringsgatan 12, Box 163 56
S-10327 STOCKHOLM

SWITZERLAND / SUISSE

Buchhandlung Heinemann & Co.
Kirchgasse 17, CH-8001 ZÜRICH

Librairie Payot, 6, rue Grenus
CH-1211 GENEVA 11

TAIWAN — HONG KONG

SINGAPORE / SINGAPOUR
Mappamundi Taiwan
7 Fl. 258, Nanking E. Rd.
Sec. 3 Taipei, TAIWAN ROC

TURKEY / TURQUIE

Librairie Haset Kitapevi AS
469, Istiklâl Caddesi
Beyoglu, TR-ISTANBUL

UNITED KINGDOM / ROYAUME-UNI

HMSO, Agency Section
51 Nine Elms Lane
GB-LONDON SW8 5DR

UNITED STATES and CANADA /

ÉTATS-UNIS et CANADA
Manhattan Publishing Company
1 Croton Point Avenue, PO Box 650
CROTON, NY 10520

STRASBOURG

Mésange S.A.
Groupe Berger-Levrault
23, place Broglie
F-67081 STRASBOURG

BEST COPY AVAILABLE

Many unemployed people are trapped by unemployment. Unemployment always seems to strike those most ill-prepared to face it and those who have the lowest qualifications. Illiteracy is rife amongst unemployed people, who are suffering from increasing marginalisation because they do not know how to get themselves out of the downward spiral. Adult education which can help combat illiteracy and provide training for those lacking basic social skills is vital in the fight against unemployment. Whether or not Europe's general unemployment level goes down, it is essential to help long-term unemployed people to become employable and to help them return to the mainstream of society from their marginalised, excluded situations.

Council of Europe Press

ISBN 92-871-2054-4

BEST COPY AVAILABLE

77